Daily Report

Latin America

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Cuba

Havana Critiques Bush State of Union Address

FL2901163392 Havana Radio Rebelde Network in Spanish 1255 GMT 29 Jan 92

[Orlando Contreras commentary: "Our Opinion"]

[Text] With the ghost of his lost popularity flying over his head and his eyes fixed on the presidential elections in November, U.S. President George Bush last night delivered one of the most demagogic messages in economic memory, attempting to look good to both God and the devil, and trying to revive in voters the worst kind of superpower chauvinism used during the Gulf war. In specific terms, perhaps the most interesting part of his speech was the announcement to include strategic submarine missiles in the disarmament talks with Russia and to end the construction of a type of intercontinental missile.

His advisers estimate that these and other reductions in military spending will cut approximately $50 billion from the military budget over the next few years. If it is true that the proposal is positive, it is based on the fact that if there are no true or powerful enemies, it seems ridiculous to continue maintaining such a nuclear arsenal. The economic reasons behind this measure, in addition to direct savings to the chronically unbalanced budget, is that the United States, in a prolonged recessional period, needs these resources and scientific and technological capabilities to accelerate industrial reconversion for a greater competitive edge against Europe and Japan.

The majority of analysts agree that these economic measures offer nothing new, but do warn of a marked electoral demagoguery. Bush offered the U.S. middle class certain tax cuts and fiscal incentives, something which was expected, of course. But he surprised most people when he offered tax cuts to the very rich on long-term earnings, reducing rates from 28 to 15 percent, a development no one expected.

The analysts are asking themselves how the U.S. economy can confront an endemic deficit in their budget of approximately $3 billion with fewer returns from tax measures and greater expenses. The reduction of interest rates, in the middle of the recession, has helped the middle sectors, including the rich, to pay debts, but has not attracted new investments, and in many cases have contributed to speculation maneuverings.

Bush agreed that during the last year of his term, months away, nine full months until the presidential elections, that the education budget in the United States is inadequate; that illiteracy continues to grow in this country; and that social services for the middle classes, and especially for the poor, are increasingly inadequate. In the richest country in the world, according to official statistics, approximately 36 million citizens live below the official poverty level, and almost 9 million Americans are unemployed today.

The typical electoral solution which Bush announced was the allocation of $4.4 billion to extend the period of unemployment benefits, a measure, but not a realistic way to create new jobs. Bush, more than his interest in economic reality, especially in the situation of the middle and poor classes of the United States, last night had his eyes fixed on the latest joint poll conducted by CBS and THE NEW YORK TIMES, which give him the poorest ratings in his career as President. Only 43 percent indicated preference for Bush. According to this poll, almost 55 percent of Americans think that the situation of the country is worse than three years ago when Bush began his term of office as President, and 60 percent of those polled said that it was time to elect a Democratic president.

His last-minute economic measures are directed toward publicly modifying his criteria in a country of skeptics, where in each election, fewer citizens vote. Bush said: We are the United States, the leader of the West, and we have become the leader of the world. With this kind of superpower chauvinism, Bush hopes to win votes on 3 November.

Jose Ramon Fernandez Meets With Syrian Leaders

FL3001003092 Havana Radio Reloj Network in Spanish 2058 GMT 29 Jan 92

[Text] Jose Ramon Fernandez, vice president of the Council of Ministers, continues on his official trip to the Syrian Arab Republic amid a busy agenda and numerous expressions of solidarity with Cuba. The visit began on Monday. The vice president of the Cuban Government was received this morning by Syrian Vice President Zuhayr Mashariqah with whom he discussed bilateral relations, international affairs, and the heated issue of the Middle East. The Syrian leader expressed to the vice president of the Cuban Council of Ministers the satisfaction he feels about this meeting in Damascus, which in his opinion will contribute to the strengthening of historical ties that unite the two governments and peoples.

Jose Ramon Fernandez, also met today with (Rashid Itallini), member of the regional command of the Ba'th Party and president of the Syrian Association of Friendship with Cuba, who pointed out reciprocal cooperation opportunities.

During his meetings with Syrian leaders, Jose Ramon Fernandez explained the present situation in our nation and our determination to resist without capitulations. The Syrian leaders expressed their solidarity with the Cuban revolution and people in our efforts to maintain sovereignty and independence. In Damascus, the Cuban leader has also meet with Yusuf Faysal, secretary general of the Communist Party of Syria and member of the National Progressive Front, and with Abu 'Ali Mustafa [Mustafa al-Zibri], deputy secretary general of the People's Front for the Liberation of Palestine.

The second day of the Cuban delegation's visit to Syria ended with an official welcoming ceremony hosted by Deputy Vice Minister Salim Yasin which was attended by many officials.

Raul Roa Comments on Middle East Peace Talks

FL3001030192 Havana Tele Rebelde and Cuba Vision Network in Spanish 0100 GMT 30 Jan 92

[Text] Foreign Vice Minister Raul Roa Kouri, who is attending a meeting in Geneva, has characterized as positive the fact that the Middle East peace talks are continuing. Roa Kouri, pointed out, however, that Cuba believes that a lasting or just solution cannot be reached if Palestinian demands regarding their representation at the negotiation table are ignored and an independent state is not established. He made these statements during his intervention on point four of the meeting's agenda on human rights violations in the occupied Arab territories.

Plans To Promote Tourism Between Havana, Cancun

PA2901224892 Mexico City NOTIMEX in Spanish 2359 GMT 28 Jan 92

[Text] Merida, 28 Jan (NOTIMEX)—Regla Rodriguez Bolanos, Cuban consul in Merida, said on 28 January that Cuban and Mexican businessmen are looking to establish an airline tourist triangle linking Europe with Havana and Cancun.

Both countries would undertake a joint investment venture aimed at attracting European tourists to the Yucatan Peninsula, in order to structure a project being promoted by the CUBAMEX travel agency. The project is designed to take advantage of the proximity between Havana and Cancun.

Mr. Rodriguez Bolanos noted that approximately 409 Cuban citizens have registered with the local consulate to undertake various projects. According to the Cuban consular official, "some of these Cubans live in the Yucatan. Others have arrived here to travel to other parts of the country and the United States."

Mr. Rodriguez said "foreign investments in Havana are completely backed by the Cuban Government. There are no risks to those who decide to invest. Likewise, Cuba supports Mexican investments."

Meanwhile, Augusto Pastachini, Italian consul in Cancun, Quintana Roo, said of the 172,747 European tourists in this city in 1991, at least 18,600 were from Italy. The number of Italian tourists is expected to increase this year. During 1988, at least 8,000 Italian tourists visited Cancun.

Mr. Pastachini stated that "ALITALIA" airlines is not planning any flights to Cancun. Tourists must either arrive by charter flight, or first travel to the United States and then make the necessary transfers to Cancun.

He discussed plans to promote Cancun in Italy, including the construction of "Puerto Cancun," in which Italian tourists will invest more than $1 billion in projects, including the construction of villas, marinas, and houses.

The Italian consular official said construction of the Italian part of the investment is scheduled to begin in March. Italian investors are grouped under a corporation called FONASEC [expansion unknown].

COPPPAL Leader Extols Role of Revolution

FL3001003192 Havana Radio Reloj Network in Spanish 2043 GMT 29 Jan 92

[Text] Nils Castro, vice president of the Permanent Conference of Latin American Political Parties [COPPPAL], has stated to the Mexican newspaper UNO MAS UNO that Cuba will continue to be a beacon for Latin America and that Latin America benefits from Cuba's resistance. The political leader added that the Cuban phenomenon is different, it has a great patriotic motivation, and above all, Latin America has more to gain from its survival than from its collapse. The COPPPAL vice president affirmed that Cubans, in spite of the current difficulties being experienced on the island, are much better off than the people of a countless number of countries in the region.

In reference to the execution of the leader of a terrorist team, Nils Castro pointed out that Nobel Peace Prize recipients and Oscar Arias have made the mistake of comparing criminals to dissidents; a mistake which befits truck drivers but not intellectuals.

Public Trial on Meat Fraud Held in Santiago

FL3001002992 Havana Radio Reloj Network in Spanish 2038 GMT 29 Jan 92

[Text] During a public trial held at Enramada Street in Santiago de Cuba, the prosecution has requested a sentence of one year in prison and 300 pesos in fines for five street vendors who engaged in the illegal sale of pork. All five worked as vendors of pork meat pies in the old quarters of Santiago de Cuba City. The investigation conducted by the police on 24 January, revealed that of the 395 pounds of pork intended for sale to the public, only 94 pounds were sold, and it was demonstrated that the defendants frequently engaged in this illegal practice.

Previous to the sentencing, the office of the prosecutor, which processed the case during the public trial in Santiago de Cuba, stressed the importance of this operation to halt these crimes.

Religious, UJC Members Join Work in Fields

FL3001003292 Havana Radio Reloj Network in Spanish 2032 GMT 29 Jan 92

[Text] Today, 70 young religious believers and a group of Union of Young Communists [UJC] members and leaders have departed for El Paraiso camp in Guines Municipality, Havana Province, to spend a month in the fields in support of the food program. UJC First Secretary Roberto Robaina bade farewell to the mobilized youths who will be replacing a contingent of Ministry of the Interior workers and will soon share the furrow with 75 Brazilian youths. These youths will also make donations for the upcoming Sixth UJC Congress.

The Christian Students Movement, the Oscar Arnulfo Romero Contemplation and Solidarity group, the Baptist Workers-Students Coordinating Group of Cuba, and the Latin American Ecumenical Youths Union are the Christian youth organizations represented in this mobilization.

Price Increases, Change in Food Subsidies Viewed

FL3001022392 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 30 Jan 92

["Focus" commentary]

[Text] The idea of gradually raising the prices of certain agricultural products as their production increase must result in benefits for producers as well as consumers, and, of course, for the state itself, which until now has completely carried the heavy burden of subsidies. The government's decisions have never been marked by the adoption of price policies that seek to solve financial problems, nor has the government sought to strike a balance between supply and demand through pricing, based on the conviction that both of these policies work to the detriment of the masses, primarily those people who have the lowest incomes.

If there is some proof that makes this desire clear, it is that the prices of almost all basic foods have remained unchanged for more than 30 years because the state has subsidized them at a cost of between 300 and 400 million pesos per year. However, this price increase could become a spur to greater production, because it will make it possible to increase the wages of agricultural workers, with the resulting increase in labor productivity, without making the management of enterprises too costly and without raising state subsidies. For example, it has been estimated that the measure could result in an increase in spending of between 6 and 8 pesos per month per household, at the most. As it can be seen, this is not a great expense, even for persons who have low incomes.

Nevertheless, the government is studying the possible harm this may cause to some people who have low pensions. The government may pair these price increases with an increase in the amount of the pensions they currently receive. Today we need to increase food production at all cost, but it is not possible to do so at any price, because an increase in the subsidies right now would become an adverse factor for the nation, especially in the midst of the special period situation, when it is urgent for us to work to balance the domestic economy, primarily by reducing state spending.

This would also make us run the risk of allowing inefficiency to proliferate, and that would be a very harmful action for society at this time, especially when up to now all of us have equal access to the subsidized products for household consumption, regardless of amounts, in spite of the fact that we all have unequal incomes. To cite one example, the country invests between $8 and $10 million per year to import seeds for potato production. Then it must allocate an amount of money for the work force to prepare the soil, plant the crop, cultivate it so that pathogens will not damage it, harvest it, transport it, and for industrial processing, among many other things. Then the state sells the potatoes for only 12 centavos per pound. The same pound of potatoes costs five or six times that amount on the international market.

This gradual price policy has also become imperative in order to facilitate distribution, mainly when we begin to obtain the results of agricultural production under the current plans, which will result in significant increases. This has become a regulating mechanism that may prevent—as has occurred at other times—some of these products from being used, because of their low cost, for other purposes, such as feeding animals, causing artificial shortages even at peak production times.

Naturally, regarding sales, it is also not permissible for it to happen—as it sometimes does—that we should be sold a bill of goods regarding the quality of these same products, especially when the price is raised and the marketing institutions permit this measure to become distorted. In the name of sincerity, we must acknowledge that the essence of the problem up to now is that when there are no products, given the need, there is a willingness to pay any price. This is what happened with the so-called farmers' markets, where everyone was willing to pay whatever was asked.

This is why it is worthwhile to reflect that perhaps not now, because of the conditions of the special period, but at some other time we will have to think about and analyze what is more suitable for the nation's life: subsidizing the purchasing power of people who have low incomes through social aid programs, or continuing to subsidize all basic foods equally?

These are very sensitive issues. It is worthwhile for all of us to think about these measures, which seek only a social benefit and of course have nothing to do with the speculative intentions of some people who spread distorted rumors to confuse others. All the decisions our state makes will be made by thinking first of all of the people, and never with the philosophy of merchants.

Cubans Increasingly Growing Own Food To Eat

PA3001034492 Mexico City NOTIMEX in Spanish 2122 GMT 29 Jan 92

[Report by Juan Balboa]

[Excerpt] Havana, 29 Jan (NOTIMEX)—Cubans are growing agricultural crops and raising chickens on the rooftops of buildings and houses, on small land parcels, and in polyethylene bags and old tires to alleviate the food shortage in state stores.

They are harvesting cassavas, beans, cucumbers, okra, parsley, sweet potatoes, eggplant, lettuce, carrots, and beets to fill their meager family basket.

Vegetable gardens for self-consumption are spreading like an epidemic in work places and schools throughout the country. The trend started at the same time that Cuba's traditional market with the former socialist countries of Eastern Europe disappeared.

The breakdown of Cuba's foreign trade swiftly drove whole families to go from consumers of food products from the former socialist countries to local farmers. Statistics from the National Coordinator's Office of the Committees for the Defense of the Revolution (CDR) indicate there are at present 1 million vegetable gardens in Cuba's 14 provinces and the special Isle of Youth Municipality.

Sixto Batista, Communist leader and CDR National Coordinator, noted with satisfaction that "a great number of people are planting tuber and vegetable gardens in their blocks or on available parcels of land." He added that encouraging family or group gardens constitutes one of the chief tasks of the people, "in line with the food program."

The collapse of the socialist countries of Eastern Europe and the disintegration of the Soviet Union shattered the island's trade relations and destabilized the internal economy of this Caribbean nation. Foodstuffs were gradually withdrawn from distribution centers until they disappeared completely. Endless lines formed to get food.

In August 1990, the Cuban Government implemented all over the island a "special period in peacetime," a program originally designed to resist an armed confrontation that included among its goals reducing food deliveries and stimulating savings. Up to 85 percent of Cuba's foreign trade was conducted with Eastern European countries: oil and foodstuffs from the former USSR; computerized technology from the former GDR; bus spare parts from Hungary; and large amounts of foodstuffs from other countries that adopted a market economy and suspended advantageous trade relations with Cuba.

None of that exists now, and Cuba is maintaining what many diplomats described as a "war" economy. The country's communist government established as a national priority the food program that seeks to achieve self-sufficiency and end the dependence on other countries that the country has maintained for 30 years. [passage omitted]

Correction to Imports From Former USSR

The following correction pertains to the item headlined "Imports From Former USSR Cut by 71 Percent," published in the 28 January Latin America DAILY REPORT, page 1:

Column one, first paragraph, first sentence, make read: ...that is, from $5.823 billion to $1.673 billion, according to statistics... (correcting figures).

Inter-Caribbean Affairs

OECS Meeting Addresses Economic Issues

FL2901194892 Bridgetown CANA in English 1707 GMT 29 Jan 92

[Text] Castries, St. Lucia, Jan 29 CANA—Trade and Industry ministers from the seven-nation Organisation of Eastern Caribbean States (OECS) on Wednesday began a meeting here, with St. Lucia expressing concern about an OECS trade deficit. St. Lucia Trade Minister George Mallet spoke of an "alarming growth" in the balance of trade between the OECS and the wider Caribbean Community region.

"A U.S.100 million dollar trade gap deficit cannot be shrugged away. Ways and means must be found in discussions among ourselves and in our meetings with our Caricom partners to redress a situation which should not be allowed to persist...," he said. The OECS are among the 13 members of Caricom.

Grenada's Finance Minister George Brizan, the chairman of the one-day meeting, said the OECS was facing increased competition for worldwide resources from emerging democratic states. Brizan said that the failure of the developed countries to reach agreement on the Uruguay round of discussions and other treaties was hindering the development of the OECS.

"What all of this means is that as the OECS, we have to continue to rely on our own resources...and increasingly try to stand on our own two feet," he said. The meeting here will be highlighted by efforts by the OECS to move towards a single market by 1993, and a review of the Caribbean Common External Tariff (CET) which provides a unified tax structure against third country exports.

Mallet, addressing the opening ceremony, said that the international economic recession "cannot but have its repercussions on our region." He said the sub-region would have to come to terms with the situation quickly, noting "1992 is indeed for us a critical year, a year of decision-making, in which we will need to take into the fullest account the dynamic events which are occuring around us."

"It should be clear to us that we cannot hope to survive as isolated single state economies, but must perforce view the closer integration of our OECS economies as the lifebelt which is to keep us afloat on the perilous economic seas that threaten our very survival," Mallet said.

Haiti

Theodore Explains 25 Jan Killing of Bodyguard

FL2901201292 Port-au-Prince Radio Metropole in French 1700 GMT 29 Jan 92

[Text] Rene Theodore, prime minister-designate within the framework of negotiations on the Haitian political crisis and National Reconstruction Movement [MRN] leader, whose headquarters was attacked on 25 January, explains the setting in which his bodyguard was killed during the attack.

[Begin Theodore recording] The politician has not killed the human being in me. It is this humanity that compels me to speak at a moment when everything urges us to be silent. I must speak of Yves Jean-Pierre. They took his life away. I could not do anything. However, they will not steal the truth of his death because I will remain his witness. I am a witness to his life of honesty and devotion. I am a witness to his death, a death fabricated by voices as an accident and even more grave, termed as others as an incident.

In what kind of world are we living? In what country, where the murder of a 32 year-old-man is termed an incident? He was born from a woman, just like all of us. And for every mother, the murder of her child is a tragedy. It is a crime coldbloodedly and intentionally committed. There was never any gunplay, but a conversation heard by approximately 20 people. To the question asked: Why do you have a weapon? He answered with his usual calm: Because I am Rene Theodore's bodyguard. After saying my name, he received three bullets to the head with my own gun, which was seized. Those are the facts.

Those in certain sectors of the media continue to read with indulgence and negligence what they know is a lie, will continue to scorn respect of death because they do not know what respect is. They do not deserve it anymore. If a voice should talk about Yves Jean-Pierre and his death, it should be mine, Rene Theodore. I owe him even more than that. [end recording]

MIDH Condemns Attack

FL3001002192 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 29 Jan 92

[Text] The Movement for the Establishment of Democracy in Haiti [MIDH] has deplored and condemned the attack on 25 January during which political leaders were mauled and kicked. MIDH offers its condolences to the parents of the deceased and sympathies to the party heads and members who are fighting for democracy and who were attacked during this assault.

MIDH says it has noted the statements of the Haitian Armed Forces commander in chief that an inquiry has already been initiated. He hopes that the culprits will be arrested and handed over to the law soon and that measures will be taken to prevent such acts—which are contrary to the basic operational rules of political parties in a democratic regime—from occurring again.

Leader Condemns Attack

FL3001002392 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 28 Jan 92

[Excerpts of an interview with Arnold Antonin, second in command of the National Progressive Revolutionary Party of Haiti, PANPRA, by correspondent Jean-Marie Erina; place and date not given—recorded]

[Excerpts] [Passage omitted] [Erina] Concerning the death of the National Reconstruction Movement [MRN] leader's bodyguard Yves Jean-Pierre, Arnold Antonin says this action shows that there are people in the country who still cannot understand that they must break away from these kinds of actions. The National Progressive Revolutionary Party of Haiti [PANPRA] leader adds that these actions demonstrate a willingness to prevent the country from becoming normal and further affects the image of the country.

[Antonin] We condemn in the most vigorous manner such an act of violence which shows that a number of people in the country still cannot understand that they must break away from these acts of violence against politicians and the Haitian people. This is extremely serious. [passage omitted]

We ask that the persons responsible for this act of violence be identified and punished. We are mainly shocked by the cold-blooded way they killed Rene Theodore's bodyguard. We really think that this is something extremely serious and that it is time for the people who are committing these acts of violence to understand that these things.... [changes thought] That violence entails violence and that—aside from politics, I am very concerned with human rights—we cannot continue to let human rights be violated in Haiti.

[Erina] [Passage omitted] The PANPRA leader thinks that all people who concern themselves with the future of the country must get together to prevent the violation of human rights in Haiti. [passage omitted]

Deputies Prefer To Negotiate With OAS

FL2901194792 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 29 Jan 92

[Text] The committee proposed by the Haitian Senate to contact all sectors of the national life to put an end to the political crisis might not be able to begin work this week.

In its resolution voted on 24 January adopting a moratorium of eight days on negotiations between Haiti and the OAS, the Senate of the Republic made provisions for the formation of a tripartite committee including the Senate, the Chamber of Deputies, and the executive for polling all sectors, in search of a solution to the political crisis. This eight-day period should allow the Chamber of Deputies and the executive enough time to plan their positions on the Senate's resolution so the three parties can begin work.

During yesterday's session, the deputies rejected the Senate's proposal asking them to send three members to the tripartite committee. The deputies present at the session said they prefer to continue negotiating with the OAS, rather than participating in the nine-member committee. For the moment, nobody knows if the Chamber of Deputies will maintain this position or whether it will adopt a new resolution authorizing the committee to work with six instead of nine people.

In the meantime, the six already chosen to be part of that committee are: Remy Mathieu, Rigaud Duplan, and Raymond Piou for the executive; and Rony Mondestin, Thomas Eddy Dupiton, and Julio Larosiliere for the Senate of the Republic.

OAS Sends 30 Tons of Humanitarian Aid

FL2901170892 Bridgetown CANA in English 1556 GMT 29 Jan 92

[Text] Washington, Jan 29, CANA—The Organisation of American States (OAS) on Wednesday said it had sent an airplane to Haiti with 30 tons of food and medication. The humanitarian aid for the Haitian people was "in the context of the resolutions adopted by the ministers of foreign affairs of the hemisphere," a statement from the OAS explained.

The Boeing 707 cargo airplane of the Chilean airline Ladeco left from Baltimore-Washington International Airport shortly after 3:00 PM Tuesday with boxes of lactate, powder milk, hydration solutions, antibiotics, medical needles, and syringes. These items will be distributed in Haiti under the coordination of the director of the office of the General Secretariat of the OAS in Port-au-Prince, and head of the humanitarian mission of the regional organisation, Paul Tardiff, with the support of the Pan-American Health Organisation, the U.S. Agency for International Development (USAID), and a local charity organisation. Travelling with the humanitarian aid were the minister counselor of

the Chilean delegation to the OAS, Jose Luis Ilabaca, and Carlos Humod, a member of the OAS humanitarian aid mission.

The lactate was acquired by the Pan-American Health Organisation with funds donated by the Canadian Government. The powder milk is a donation of the Government of the United States through USAID, and the hydration solutions, antibiotics, needles, and syringes were donated by the Government of Chile, all of these in response to a request by the secretary general of the OAS, Ambassador Joao Clemente Baena Soares. Haiti has been gripped by an OAS trade embargo—part of the strategy to get ousted President Jean-Bertrand Aristide re-instated. Aristide was ousted by the Army last September.

OAS secretary general, Joao Clemente Baena Soares, said: "This is, I hope, the first of the airplanes that will fly to Haiti to express our solidarity with the Haitian people, in compliance with the resolutions adopted by the ministers of foreign affairs of the hemisphere." Chilean Ambassador Heraldo Munoz said that the donation made by his government represented "a commitment to the efforts being made by the OAS to help the Haitian people in the aftermath of the coup that shattered democracy in their country."

He said that "all efforts should be made to ameliorate the suffering of the Haitian people," and expressed the hope that through negotiations, democracy would be restored in Haiti.

Political Leaders Express Views on Crisis

FL300i002292 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 29 Jan 92

[Report by correspondent Jean-Marie Erina—recorded]

[Excerpts] [Passage omitted] [Erina] Following the attack against the premises of the National Reconstruction Movement on 25 January, the political situation in Haiti has become more worrisome. Many people are wondering what the political future of Haiti holds and what the best solution is so Haiti can get out of the crisis it is experiencing. Max Bourjolly, of the Unified Party of Haitian Communists, thinks that only a negotiated solution will allow the country to get back on the right track because the country is faced with a situation that requires negotiations and that no matter what a negotiated solution will be reached.

[Bourjolly] [Passage omitted] We are faced with a reality that requires negotiations, that requires change. Yet, they [not further identified] say that they do not want negotiations, that they do not want change. Under Prosper Avril, the realities required elections and everyone was asking for elections. They then said no, they do not want them. They arrested political leaders, they beat political leaders, and they exiled political leaders. Where did we end up? We ended up in elections. Well, it is just the same thing now. [passage omitted]

[Erina] Victor Benoit of the National Congress of Democratic Movements thinks that all political parties must put aside their personal interests so that the patriotic interest can win. According to Benoit, there is no other way for modern politics to move forward. There must be a compromise that can gather all parties of the national life around a table so the country can resolve this situation. [passage omitted]

According to Hubert de Ronceray, the political future of the country is very confused today. The Mobilization for National Development president thinks that the country's fate must be taken in hand first and foremost by Haitians and that there is only one solution that will allow Haiti to resolve this crisis. It is a constitutional solution, a national solution which apparently means—in the leader's opinion—to hold elections. [passage omitted]

Arnold Antonin thinks measures must be taken quickly because the political future of the country is very bleak. According to the National Progressive Revolutionary Party of Haiti leader, the situation is very complicated. He thinks the political parties must continue to function but that prior to that they must demand guarantees that such acts will not occur again in the country. [passage omitted]

Today again, there is much confusion in Haiti as to how to solve this crisis that has already lasted too long. According to many observers, even though each sector in the national life apparently decides in their own interests, there is only one thing that remains obvious. That is that the country must survive. So, it is time for each Haitian to sit down and think of the country, in the interest of the country. At this crucial moment, all Haitians must sit around the same table to discuss the country's concerns regardless of their political trends.

El Salvador

FMLN's Medrano on Future of General Command

PA2901154092 San Salvador Radio Cadena YSKL in Spanish 1600 GMT 28 Jan 92

["Special" interview with Commander Juan Ramon Medrano, alias Balta, by unidentified reporter; place and date not given—live or recorded; monitored in progress]

[Text] [Reporter]...the General Command to now join Copaz [National Commission for the Consolidation of Peace]?

[Medrano] The General Command is now engaged in its diverse tasks. Commander Leonel Gonzalez is now here, and the other commanders will certainly arrive in the afternoon or evening of 31 January. The program—known to all—is the following: from 0900 to 1100 in the morning is Copaz' swearing-in ceremony; at 0011 there will be a mass at the Plaza del Salvador del Mundo; and starting at 1300 we will have a celebration at the Civic Square. There will also be celebrations in the interior, in Santa Ana, San Miguel, Usulutan, La Union, Santa Rosa de Lima, and many other sites in the countryside.

[Reporter] We understand that in San Miguel, the FMLN [Farabundo Marti National Liberation Army] is in contact with the 3d Brigade and the governor's office to organize this event.

[Medrano] Yes, in San Miguel that is the case. Moreover, on 16 January a very positive incident took place in which there was evidence of national reconciliation by the head of the 3d Brigade, the mayor, the governor, all the social sectors, and the FMLN. These groups united to celebrate this day for political peace. We have now agreed to hold a similar event with greater participation.

[Reporter] Commander Juan Ramon Medrano, we understand that now the FMLN will become a political party and will participate in the nation's politics. The General Command, as such, will disappear and will become a political advisory council to the FMLN. Is that correct?

[Medrano] Yes, that is correct. Now that the war is over, the FMLN General Command is no longer a structure for military activities, but a structure engaged in national political activities. The General Command is now a national political division, although this has not yet been ratified in a FMLN congress. Nevertheless, in practice they are members of Copaz, they are the leaders of the new political party, and they are a national force and a [word indistinct]

[Reporter] To conclude this interview, Commander Balta, let me ask you, now that you finally have joined the nation's political arena, what will happen to the five guerrilla groups that make up the Front. Are they going to stay united? Are they going to form a political party? Or are they going to look for a coalition further down the road?

[Medrano] Let me tell you that the New York Agreement, the conclusion of our process in this first important stage of our military-political struggle by passing on to the political-social struggle, is a victory. Victory unites, it does not divide. Therefore, we will continue being five political positions, but united under one strategy, with one tactic, and with a dynamic of internal debate. We not only expect to be strong and united, but we expect to be the driving force behind the national agreement with other sectors, such as the private sector and other political parties.

[Reporter] Thank you very much.

FMLN Committee Holds First Public Conference

PA3001123992 Mexico City NOTIMEX in Spanish 2109 GMT 29 Jan 92

[Text] San Salvador, 29 Jan (NOTIMEX)—The Farabundo Marti National Liberation Front [FMLN] internal political committee made it clear that the guerrilla General Command will not disappear but will be transformed within the framework of the rebels' participation in the nation's political life.

During the first public conference of the entire political committee, Commander Juan Ramon Medrano explained that the rebel leadership will now become the FMLN National Political Directorate.

During a previous news conference given on 28 January in this capital, Medrano noted that the FMLN General Command had been "dissolved" at the signing of the final peace agreement on 16 January in Mexico.

"The General Command will not disappear, rather it will be transformed during the coming nine months when the (FMLN's) political-military structures will become solely political forces," Medrano noted on 29 January.

Between 1 February and 31 October, the cessation of hostilities will be accomplished, which include—among other phases—the dismantling of the rebel military structures.

Medrano explained that the transformation of the General Command is closely tied to the fulfillment of the agreements and that these will remain intact while there are military forces joined under the National Army for Democracy.

The political committee's leadership said that 1 February will be "a meaningful date" for El Salvador when diverse political and social sectors "will face the historical challenge of consolidating peace based on sound foundations."

This day will mark a moment in which all the sectors—without ideological distinction—will make a commitment with the nation and the FMLN will say "we are ready" to contribute toward peace and reconciliation, Commander Francisco Veliz noted.

In addition to Medrano and Veliz, the FMLN internal political committee directorate includes Commanders Octavio Martinez, Herson Martinez, Ernesto Zamora, David Pereira, Javier Castillo, Leoncio Pichinte, and Eugenio Chicas.

The FMLN internal political committee—organized in April 1991—came out in the open the day before the signing of the historical peace agreements in the Mexican capital.

For the first time the group that represents the five FMLN organizations called an open news conference in one of the main halls of a luxury hotel located in a northwestern neighborhood of San Salvador.

The rebels insertion into civilian life "comes at a time when the armed struggle ceases to be valid," Commander Herson Martinez noted, adding that the FMLN has "basic" structures in the nation's 14 departments and in 230 of the 262 municipalities to step into the new political and social scenario.

"For El Salvador, the history of war and totalitarianism is over, and the history of the construction of democracy and justice begins," Martinez marked.

The rebel leaders will participate in the 1 February celebrations with members of the FMLN General Command and the political-diplomatic commission, who arrived on 24 January accompanied by UN diplomats and delegates.

After the official ceremony—which the government, the rebels, and the different political and social forces will celebrate—the FMLN will issue its first "official summons" for all of its rank and file to attend a meeting at the Civic Plaza in San Salvador.

Commander on Implementation of Agreement

PA2901201992 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 28 Jan 92

[Interview with Commander Jorge Melendez, alias Commander Jonas, chief of END, National Army for Democracy, 3d Military Region, by station announcer Tacho; place and date not given—recorded]

[Text] [Tacho] It is known, Commander, that many of our leaders [words indistinct] are participating in meetings with Onusal's [UN Observers for El Salvador] military chief and the Armed Forces Command at Onusal headquarters in San Salvador. Does this mean the negotiations have not ended, or are final details being adjusted for the cease-fire phase?

[Melendez] The negotiations are over. One of the agreements reached during the negotiations called for the creation of a joint working group, which is a body formed by the government, the Farabundo Marti National Liberation Front [FLMN], and Onusal, to coordinate the implementation of the military and operational aspects of the cease-fire. That is the purpose of the body, and that is why the military chiefs of the FMLN are attending the meetings. It is simply an organization for implementation, not negotiation.

[Tacho] Commander, there has been a great deal of discussion on social benefits for the mothers of our fallen comrades, maimed FMLN fighters, and END [National Army for Democracy] fighters. I know that there are many questions about this issue. Could you explain the situation?

[Melendez] The framework of the agreement is very definite and clear. It guarantees social security for END members, and, in general, for all FMLN members. In this sense, everything we have always told our fighters, officers, and chiefs will be implemented in the reconversion of our forces in socioeconomic and political areas, as well as the Civil National Police; this is totally guaranteed.

Regarding the establishment of social groups in control areas or war zones, as they are described in the treaty, they will receive preferential treatment in the national reconstruction plan, which means all public services such as highways, telephone communications, electricity, and potable water will be rebuilt. In short, all of these benefits will be brought to the war zones on a priority basis. Furthermore, there is a plan that includes employment and housing reconstruction. There is also an agreement to the effect that residents or the people who will own lands in the war zones constitute the social groups of those areas. They constitute the revolutionary social rank and file.

There are obviously some procedures and steps that need to be taken, but these are mere formalities. The important and basic thing is that the land will be left in the hands of residents of the conflict-ridden areas.

Regarding the areas of northern Morazan Department where there are many small landowners, negotiations will be held to return their property to them. The objective here is not to hurt small landowners. In any case, the government will have to buy the land so no one will be adversely affected. The government will have to fulfill this commitment using funding provided by the international community, which has allocated resources to solve the land problem.

To sum up, I would say that the social security of FMLN members and all our social base, particularly in the conflict-ridden areas, has been guaranteed.

[Tacho] Commander, we know that you do not have much time. Would you like to deliver a message?

[Melendez] The basic thing to say is that after the signing of the accords, there has been a great victory for the Salvadoran people. The banners of the revolution will now become the banners to consolidate and implement the accords. The banners of the revolution will be transformed into the banners of democracy, reunification, broad liberties, and reconciliation.

We have begun a new era. It is a difficult time, as many Salvadorans are skeptical about the survival of the military apparatus of the Armed Forces. An effort is being made to redirect the Armed Forces, to make it an institution that will get back in line with democracy and the entire people instead of servicing the powerful classes and dominant sectors.

In addition, if we have waged a war to achieve democracy and create this democratic revolution to reach new levels of social justice, it is up to the Salvadoran people and revolutionaries to amaze the world—we amazed the world with our courage and valor to fight—with our intelligence and capacity to become brothers and fraternize among all once

more. I refer to all social sectors, namely the Armed Forces, END, the government, FMLN, political parties, and social forces.

In sum, my message to the Salvadoran people would be that the revolutionary banners are now banners of strength, vitality, optimism, and perspectives for democracy. We can clearly state that we won; we have achieved a great victory. Obviously, we have to guarantee compliance with the agreements, but we have the advantage of the support of the vast majority of the Salvadoran people. This gives us the capacity to consolidate this democratic process and defeat the minority sectors that may hurt the process of consolidation of the democratic revolution, which has taken place in El Salvador following 11 heroic years of struggle by the Salvadoran people.

[Tacho] Thank you, Commander.

Venceremos Urges Nation To Celebrate 1 Feb

PA2901172292 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 28 Jan 92

[Station commentary: "On 1 February, El Salvador Begins a New Battle Stage]

[Text] A date that will always be historic for El Salvador is approaching. This date is 1 February. On 1 February, all El Salvador will begin a new life. Even if it is true that this new stage is not everything the people of El Salvador desire, they will at least begin to live and fight within the structure of a new dwelling that will belong to everyone and will not exclude anyone.

Gone are the military checkpoints aimed at intimidating people. Gone are the illegal arrests that have been a common thing in the past for the Salvadoran Armed Forces. Gone are the bombings and murders that were common to the government military forces. Gone are restrictions on the press, on the transportation of food to the country, and on the right to participate in political activities.

All Salvadorans will begin to experience this and much more on 1 February; a date we know will be celebrated by the Salvadoran people with emotion, fraternity, solidarity, and patriotism in an atmosphere that signals the beginning of an authentic and brilliant national reconciliation.

We already experienced the first part of this festive atmosphere on 16 January when our people celebrated the signing of the agreements to end the war. According to statements by comrades who participated in those celebrations in San Salvador, the people of El Salvador definitely took to the streets, hoisted not only the Salvadoran flag and the peace flag, but the Farabundo Marti National Liberation Front [FMLN] flag as well. The FMLN flag could be seen in joined hands, on walls, on trees, on buses, and on other vehicles. Cheers for the FMLN resounded with a human and natural echo.

We think we will experience more happiness throughout the entire country on 1 February. This will be especially true in San Salvador, because an unprecedented event will take place in our country: the FMLN General Command and the members of our political and diplomatic commission will arrive in San Salvador to attend the celebrations. That will be the day when the people are reunited with their leaders. That is why we call on all Salvadorns to participate in the celebrations commemorating the end of the war by extending a welcome to the FMLN General Command.

To all of you Salvadoran brothers who have always sympathized with our struggle but never helped us for fear of being killed, now is the time to set free liberty and love and to make the decision to put everything you have into peace and democracy by participating in the 1 February celebrations. This will be not only the beginning of a new life, but also the beginning of a new stage in the battle for the defense of peace and the proper implementation of the peace agreements.

We ask all of you friends or comrades who own a car or a bus to cooperate by transporting our people to the centers for celebration. Peace will be the reward.

FMLN Denies Killing Honduran Serviceman

PA3001041092 Panama City ACAN in Spanish 0023 GMT 30 Jan 92

[Text] San Salvador, 29 Jan (ACAN-EFE)—The Farabundo Marti National Liberation Front [FMLN] again on 29 January denied any responsibility for the alleged murder of nine Honduran servicemen aboard a helicopter downed by FMLN forces on 19 December in El Salvador's eastern Morazan Department.

The Honduran Government announced this week plans to file a suit against the FMLN members, because they apparently fired a fatal shot at at least one of the Honduran soldiers after the helicopter crashed.

Rebel "Commander" Eugenio Chicas stated during a news conference that the "Honduran Government cannot say its soldiers were killed because they did not allow the autopsy be performed in El Salvador."

The incident took place when the Honduran Air Force helicopter was, according to Honduran authorities, accidentally flying over an area of combat between the guerrillas and the Salvadoran Army.

"This is an ill-intentioned plan that seeks to hide the mission the Honduran soldiers were really carrying out," Chicas noted, adding that the Hondurans were returning from a meeting with Colonel Oscar Leon Linares, commander of Military Detachment No. 4, which has its headquarters in Morazan.

"The Honduran Armed Forces wants to put up a smokescreen to hide what the Honduran soldiers were really doing in Salvadoran territory," Chicas noted.

Honduras

Labor, Social Welfare Minister Resigns

PA3001004992 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 29 Jan 92

[Text] Rodolfo Rosales Abella, labor and social welfare minister, has resigned after two years in office. President Leonardo Callejas accepted his resignation and praised his work at the Labor Ministry.

[Begin recording] [Callejas] The labor minister said his decision to resign from the Labor Ministry was for personal reasons. He will probably participate in a joint UN-Honduran Government program called "The Modernization of the State."

Attorney Rosales Abella worked with the Presidency in a loyal and efficient manner, and his reasons for resigning are in his best interest. He has been an efficient labor minister for several years, spanning two governments, and his departure constitutes a loss for the government. He has his reasons and I respect them because of the loyalty and friendship he has shown me during the two years he served in this administration. He resolved important labor problems and worked actively in the International Labor Organization to maintain Honduras' good name. I am going to support his participation in the "Modernization of the State" program.

I publicly acknowledge his work as a government official. He is a man of ethics, morals, and especially of loyalty toward the president of the Republic.

[Unidentified reporter] Do you have a candidate for the position?

[Callejas] I have not made that decision yet. That information will be disclosed on 1 February.

[Reporter] [Question indistinct]

[Callejas] The deputy labor minister will be in charge of the ministry until a new appointment is made; it is not a replacement because, from the standpoint of Rosales Abella's work, he is irreplaceable.

[Reporter] Do you have a possible successor?

[Callejas] Not at this time. I will inform you on or before 30 January, depending on the study I conduct with Rosales Abella. [end recording]

Claudio Lainez Coello Named Defense Minister

PA2901200092 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 29 Jan 92

[Text] Colonel Alvaro Romero Salgado has been removed from his position as defense minister. As of 1 February, Col. Claudio Lainez Coello will replace Col. Romero in that position.

Lainez Coello was director of the Armed Forces Command and Staff School. He will be replaced there by Col. Julio Armando Pabon, former commander of the 105th Brigade based in San Pedro Sula. Col. Pabon spent exactly one month as secretary general to Luis Alonso Discua Elvir, Armed Forces commander in chief general

The appointment of Lainez Coello has already been disclosed to President Rafael Leonardo Callejas, who will only announce his approval of the appointment. The procedure to elect a defense minister is as follows: The Armed Forces Command presents a list of three officers to the president, who selects one of them. Col. Lainez Coello was reportedly such a sure bet, however, that he required no contenders.

Meanwhile, Col. Romero Salgado, the outgoing defense minister, will be appointed to represent Honduras on the Inter-American Defense Board in Washington, replacing Col. Juan Lopez Grijalva. According to the report, the new defense minister may not assume his new position until 15 February. [sentence as heard]

It has also been announced that Col. Alfonso Valderramos, deputy defense minister, is still in his position. The name of the new command secretary general has not yet been disclosed. The position became vacant with Col. Pabon's transfer to the Armed Forces Command and Staff School.

Minister Carias on Possible Suit Against FMLN

PA2901135992 San Pedro Sula LA PRENSA in Spanish 28 Jan 92 p 14

[Article by Faustino Ordonez Baca]

[Text] Tegucigalpa—On 27 January, the National Security Council warned that the Salvadoran guerrillas could implement their plan to settle some members and followers in areas involved in a border conflict between Honduras and El Salvador.

President Rafael Callejas met for two hours with the main body tasked with safeguarding national sovereignty to discuss the problem that could arise should the Farabundo Marti National Liberation Front [FMLN] use part of this territory. This territory has not yet been defined by the International Court of Justice at the Hague.

Foreign Minister Mario Carias Zapata said that the Honduran Government already alerted the UN secretary general and will also contact the government of El Salvador's Alfredo Cristiani in the next few hours.

The peace agreements signed by the Salvadoran Government and guerrillas state that the FMLN will maintain its troops in places under their control during the gradual demobilization process.

"We are concerned about the distribution of land among FMLN followers or militants at a time when we are awaiting a ruling by May or June 1992," the foreign minister added.

The National Security Council decided to review a legal report submitted by a team of lawyers to determine whether it may file a suit against the FMLN before Salvadoran courts for the downing of a Honduran helicopter in December that left nine soldiers dead.

The suit, according to the foreign minister, would be filed after determining if Salvadoran legislation allows it. Should

it be filed, it would charge the FMLN commander responsible for the area where the aircraft crashed, those who participated in the action, and those who killed one of the soldiers.

Carias pointed out that the government learned that one of the occupants of the Honduran Air Force helicopter was executed, and that is why he instructed Ambassador to El Salvador Napoleon Alvarez [title as published] to determine the scope of the law in that country.

For the time being, the plan is to sue the guerrillas in Salvadoran courts. Carias added that "at the level of international organizations, humanitarian rights in times of armed conflict were violated, and the matter could be handled through the International Red Cross Committee or UN Observers for El Salvador."

Also, the National Security Council decided to voice full support for the UN antidrug struggle, the foreign minister added.

Armed Forces Issue Report on Helicopter Crash

PA2901221892 Tegucigalpa LA TRIBUNA in Spanish 28 Jan 92 p 2

["Report" issued by the Honduran Armed Forces Public Relations Office to President Rafael Callejas in Tegucigalpa on 27 January]

[Text] To His Excellency Rafael Leonardo Callejas, president of the Republic.

Mr. President:

1. With all due respect, we are honored to present to Your Excellency, the president of the Republic, a report on the investigations of the violent deaths of nine members of the Honduran Armed Forces when a Honduran Air Force helicopter was shot down on 19 December 1991.

2. Dr. Juan Matew Llort, Salvadoran doctor of forensic medicine; Dr. Roberto Masferrer; and Dr. Dennis Armando Castro Bobadilla, director of the Legal Medicine Department of the Supreme Court of Justice of Honduras, were present when the bodies were picked up from the site. They reported that two of the victims, Marvin Cabanas and Efrain Mejia Aguilar, survived the accident for approximately six to eight hours. The doctors also reported on the causes of the deaths as follows: Cabanas had a severe brain edema caused by a head injury. Mejia Aguilar had shrapnel throughout his entire face—visible in the X rays—as a result of a gunshot wound inflicted at close range, which also damaged his skull cavity. He also had a chest wound.

3. The autopsy reports by Dr. Dennis Armando Castro Bobadilla, director of the Legal Medicine Department of the Honduran Supreme Court of Justice, said that, from a legal medical point of view, the deaths are homicide. He explained that the body of Efrain Mejia Aguilar had gunshot wounds inflicted from close range.

4. The exhumation of the bodies of the five soldiers, including that of Efrain Mejia Aguilar, was done in the presence of Lieutenant Omar Raudales Munguia, 5th Military Region judge, assisted by Dr. Dennis Armando Castro Bobadilla, his secretary; Dr. Elizabeth de Nunez; and Dr. Eleaquin del Cid Natorem, all Hondurans. Also present were forensic specialist Dr. Dally Semior, pathologist Dr. Hely Duran, and lawyer Carlos Rivas, all Venezuelans; Dr. Juan Matew Llort, Mirna Carolina Pena Delgado, Carlos Chavez, and Remberto Parada, all Salvadorans; and Lt. Jacobo Antonio Castellanos and Dr. Rodolfo Berrios Bedana, representing Health Region 2. According to this report, the deceased survived the accident and was executed as he lay on the ground. He had wounds from a bullet that entered his chest and left through his left clavicle; another bullet entered at his eyebrow and left through the right temple. His death was not accidental, as it has been scientifically proven he was murdered on the ground with premeditation.

5. The Miami School of Medicine was consulted and, based on the examination performed, it has confirmed the diagnoses made by the Honduran forensic specialists to the effect that Efrain Mejia Aguilar died as a result of gunshot wounds.

6. Based on these reports, of which copies are attached, the legal medical authorities feel there is sufficient evidence to determine that three of the nine dead soldiers did not die in the helicopter crash. Such is the case of Aviation 2d Lt. Marvin Rolando Cabanas Morales and of Infantry Captain Rolando Lara Funez, who both died for lack of medical attention. Sergeant Efrain Mejia Aguilar died of gunshot wounds.

7. We avail ourselves of this opportunity to voice our appreciation to His Excellency, the president of the Republic. Loyalty, honor, and sacrifice. Issued by the Public Relations Office.

Legislators Approve Military Chiefs' Promotions

PA2901233592 Tegucigalpa EL HERALDO in Spanish 29 Jan 92 p3

[Excerpts] On 28 January, Congress approved the promotion of officers to the next corresponding levels of command during the first formal working session of its third legislature. There was no opposition to this decision from the liberal, nationalist, or PINU-SU [Social Democratic Innovation and Unity Party] deputies. [passage omitted]

General Luis Alonso Discua Elvir, the Honduran Armed Forces commander in chief, was promoted to division general, and the following colonels were promoted to general: Jose Guillermo Paredes Hernandez, Public Security Forces commander; Air Force Commander Hector Castro Cabus; Naval Force Commander Reinaldo Andino Flores; Army Commander Jose de Jesus Banegas Medina; Armed Forces Inspector General Oscar Filander Armijo Ucles; and Lazaro Melanio Avila Soleno, chairman of the joint chiefs of staff.

The promotions of Discua Elvir and the other brigadier generals were approved in a single debate, and the document ratifying the promotion decrees was also approved on 28 January. [passage omitted]

Nicaragua

Vice President Godoy on Violence, Recompas

PA3001043892 Managua Radio Catolica in Spanish 1100 GMT 29 Jan 92

[Text] Reporter Carlos Maturana interviewed Vice President Virgilio Godoy in Managua on the serious events that took place in the northern regions of Nicaragua.

[Begin recording] [Godoy] What we are seeing here is artificial. Ever since the demobilization of the Sandinist People's Army [EPS] was first mentioned, it became evident. The EPS command is now using paramilitary units called recompas, who are nothing more than members of the so-called soldiers on active retirement, to create an atmosphere of terror and instability in the north.

We have seen this every day, and we will continue to see it as long as the supremacy interests of the Sandinist National Liberation Front [FSLN] seek to prevail over the state.

[Maturana] This morning BARRICADA published a cartoon saying Camacho, Carlos Camacho, was no longer a recompa, because he had been expelled from that organization. Camacho is now being blamed for the murder of four policemen in Wiwili. Do you find the connection, speed, and timely arrival of this information to BARRICADA strange?

[Godoy] Well, it is all part of the same thing. These are official channels that handle official matters. It is not strange, then, for the official red and black newspaper to speak that way, because it must be intimately connected to such maneuvers.

[Maturana] What hope is there for Nicaraguans who want to live in peace? What can be done?

[Godoy] It all depends on the political will of the government. The problem lies in the complicity between [Presidency Minister] Antonio Lacayo and Humberto Ortega [commander in chief of the EPS], which has become the country's main problem. If the government realizes that it cannot continue in that way in the future, there will be an opportunity. That opportunity may be a frank dialogue to solve the country's problems.

[Maturana] This dialogue would be between whom? The public cannot visualize a three-part dialogue: National Opposition Union [UNO]-FSLN-government. This is because the government is a result of UNO.

[Godoy] It should be but it is not. The problem is that the government is carrying out the wrong policy by walking arm in arm with the FSLN military. This also makes it absurd to think of a three-part dialogue, because then we would have two against one—government and FSLN against UNO—which would evidently lead nowhere. First the government must decide on which side it stands; something we have mentioned whenever we have had the chance. Once this is done, there will only be two parties left between which the future of our country must be defined.

[Maturana] I have spoken to several leaders of the Nicaraguan Resistance, Dr. Godoy, and they say they must be taken into account in a national dialogue, because they were a very active part of this process. In that case, we would not have a three-legged stool but a four-legged chair.

[Godoy] I believe that if we look at it that way, we would definitely have to say we have a medusa or an octopus, with a great number of legs. There are really only two main parties. Those who want democracy in Nicaragua and those who favor totalitarianism. The national dialogue should be centered there.

[Maturana] Thank you Dr. Virgilio Godoy. [end recording]

Foreign Minister Comments on Foreign Policy

PA2901222292 Managua Sistema Nacional de Television Network in Spanish 0100 GMT 29 Jan 92

[Report by Vilma Estrada; passages within quotation marks are recorded]

[Text] Foreign Minister Ernesto Leal said Nicaragua will participate in the Central American and Caribbean foreign ministers meeting to begin on 29 January in San Pedro Sula, Honduras.

The foreign minister reviewed Nicaragua's foreign policy, aimed at protecting the environment, combating drug-trafficking, and defending national sovereignty and territorial integrity.

[Leal] "Obviously we will defend our national sovereignty in the area of international law, dialogue, and negotiations."

The foreign minister said one Nicaraguan priority this year will be to promote regional cooperation. As an example of this, he referred to the upcoming meeting of foreign ministers in San Pedro Sula, Honduras.

[Leal] "The agenda calls for expanding trade and regional talks aimed at increasing cooperation between Central America and the Caribbean. This could be the beginning, a first step, toward the possible integration of the Caribbean and Central America and the creation, not in the too distant future, of a single region."

Other priorities include expanding foreign relations, promoting North-South cooperation, and regional integration. Deputy Foreign Minister Jose Pale said Nicaragua will continue to fight drug trafficking.

[Pale] "One priority is to keep Nicaragua from becoming some sort of bridge or center providing facilities to drug traffickers. Considering the strikes we have delivered, we have been successful. Early attempts to establish a storage facility were foiled when we seized 200 kg of cocaine."

New Libyan Ambassador Comments on UN Resolution

PA2901221592 Managua Sistema Nacional de Television Network in Spanish 0230 GMT 29 Jan 92

[From the "Extravision" newscast directed by Manuel Espinoza, former information minister under the Ortega administration]

[Text] ('Abdallah Matu) today presented his credentials as Libyan plenipotentiary ambassador to Nicaragua. Several days ago Ambassador (Matu) had made statements expressing his nation's position regarding the UN Security Council's resolution requesting the extradition of two Libyan citizens accused of blowing up two aircraft; one U.S. plane and one French aircraft.

Ambassador (Matu) said that the resolution was not drawn up by the Security Council, but rather by the United States, France, and England. These nations, according to the internal rules, cannot vote on the issue, since they are parties in the conflict.

* FSLN Ethical Responsibility Discussed

92CA0069A Managua EL NUEVO DIARIO in Spanish 29 Dec 91 p 2

[Commentary by Ernesto Castillo M.]

[Text] In an interview published in BARRICADA, Major Daniel Ortega states that the main problem of the FSLN [Sandinist National Liberation Front] in this stage is one of ethical values. He uses the graphic image of "capital" to make his point and concludes that we are now witnessing the deterioration of moral capital built up through years of struggle. Taking up that same image of capital, one could say with certainty that there is an inverse relationship in the FSLN between the accumulation of material wealth and the preservation of moral capital accumulated. The more goods the organization and its members possess, the greater the moral deterioration in the party and its members.

This is a logical phenomenon in a revolutionary party that based its objectives and the qualities of its members on the fundamental values of brotherhood, solidarity, and sacrifice, a party which, in order to adapt to the political circumstances of the times, follows the rules of play of traditional parties that base their priorities on material capital in order to build up political capital.

Obviously, the FSLN of the 1990's will never be the same party that it was in the 1970's, but the basic values of the FSLN of the 1970's should continue until the causes giving rise to the fight against injustice have disappeared from Nicaraguan society. The solutions offered by those who give priority to material capital will not solve the problem of the majorities.

As long as our people remain convinced that a way was paved to a life with dignity, they did not hesitate to defend such as hope, even if they had to bear arms and in circumstances that seemed to obey no logic.

Can that hope be replaced by the logic of the IMF's economic measures or the argument that the conditions prevailing in the world make socialist ideals impossible? We would then have to ask how many Nicaraguans from among the poorer majorities would be willing to sacrifice themselves to take up arms to defend the promise of a better world for the few.

Administration of Capital

As Major Ortega states, the FSLN must regain its moral capital and find its own view of ethics as a party before its members will be able to adjust to a rule of conduct.

One can clearly deduce from the interview with Major Ortega that those who managed the moral capital of the FSLN until 1979 and survived did so well. Then when did the deterioration begin? While the FSLN was in power, these moral values were generally maintained, except in a few cases of abuse for personal reasons. Even immediately after losing the elections and despite any errors that may have been committed as a ruling party, the moral capital of the FSLN was very great at home and abroad.

After the elections, instead of devoting our efforts to maintaining and increasing the moral capital of the FSLN, most cadres concerned themselves with their own survival, which is reasonable, but not when one neglects revolutionary values. One could go so far as to say that the main activities of the National Leadership in this phase are more commercial and economic in nature than partisan politics.

It is a fact that as a party, the FSLN must have the resources to underwrite its activities. In order to do so, it must engage in productive economic activities, even using paid workers, but great care must be taken, particularly by leaders, not to succomb to entrepreneurial temptations produced by money when ethical values are not borne in mind. Party finances must be professionally organized and their management must be transparent. Certain minimum standards of conduct should be created, even for millionaire members, if we want the membership to reflect the values for which the FSLN exists.

In conclusion, anything in contradiction with the FSLN's ethical values must be cast aside. We must administer its assets correctly and encourage members to lead an exemplary life suited to the country's circumstances of poverty.

It is not a matter of turning the FSLN into an organization of mendicant monks, but the FSLN must serve as an example of a party that fights for and identifies with the poor majorities of this country. In a party such as ours, one must not be afraid of ideals and utopias, for they are the driving force that propels the impoverished majorities forward in their struggle.

Managua, December 1991.

* Henry Ruiz on Economy, Property Issue

92CA0069B Managua EL SEMANARIO in Spanish 12-18 Dec 91 pp 9-11

[Interview with Sandinist National Liberation Front Major Henry Ruiz by Angela Saballos; place and date not given]

[Excerpt] He coined the word *chapiollo*, which many later used to excuse themselves for their continuing technical inexperience. He said, "We shall bury the enemy's heart in the mountains." We have always viewed him as a mythical figure, even though he has long since come down out of the mountains and begun to study the difficult task of being a

planning minister in a country with a society as spontaneous and situation-oriented as our own. I am talking with him now in his capacity as treasurer of the Sandinist National Liberation Front (FSLN) and its international relations. He heads a small team waiting to see the early-morning face of the legendary Modesto, revolutionary commander and member of the national leadership of the FSLN, Henry Ildefonso Ruiz Hernandez, making sure that on that day, they will have to work with greater speed and precision.

Nervous in the presence of a living legend, the tape recorder gets stuck and unstuck, much to my embarrassment. Surprisingly enough, the seasoned guerrilla warrior first smiles, then laughs, tells me a joke, and finally laughs out loud. Praise the Lord! The living legend is flesh and blood, breathes, has a sense of humor and does not totally avoid personal questions.

We spoke of how young people must stretch their wings in order to keep the older generation from making them drag their feet. After all, the latter does have specific obligations to the young. "We are forced to recreate a myth, but let us not think it is our own. Rather, it is a 'bi-lithic' relationship between the previous revolutionary generation and the obligation to imbue the current younger generation with ideals. We are the generation of the crisis in socialism and if young people take the attitude that capitalism is best, we are forcing them into a blind alley. We must give them fundamental values that will lead them out of despair," he says.

[Saballos] Major, after this communique from the Front, one has to ask just what the "consensus of Nicaraguans" is and what the "favorable conditions" for a return to power are. What are they? How are they defined?

[Ruiz] Look, this term "consensus" is something new in Nicaragua, just as I think the term "democracy" is new.

[Saballos] New to Whom?

[Ruiz] To everyone. Actually, we are talking of a model of democracy that does not yet have any description, without knowing just what that democracy is. I think the Sandinist Front was instituting a kind of democracy and even added a few terms. Now they are talking of a "consensus of majorities" and if we go to the economic and social roots of this country, we would be talking of a poor majority, but one that is definitely setting up a clamor in contemporary politics.

[Saballos] But it is not the same majority for which the Front opted long ago?

[Ruiz] No, it is not the same.

[Saballos] Not the same?

[Ruiz] Not the same.

[Saballos] What is the basic difference?

[Ruiz] There is a higher level of political participation. There is a trained majority that wants to determine the country's political fate. That is why, if we speak of a consensus, this is the majority whose participation we must seek in an ordered, organized fashion.

[Saballos] What would be the proper strategy for achieving it?

[Ruiz] I think the Sandinist Front should reformulate a plan, a kind of program making it possible to eliminate what appears to me to be a kind of political dissonance between the different political proposals being put forth by the government as well as other political sectors. I would tend to favor this idea. I do not take an eclectic position in political terms. My position is a militant, committed position, and I know that to commit oneself to the majorities here actually means committing oneself to the Nicaraguan nation. We cannot talk of commitments to the majorities while actually practicing a policy for minorities.

[Saballos] Is there perhaps an economic proposal that the Front would present to these majorities?

[Ruiz] The Sandinist Front has no economic program at the present time. It had an economic program which in my opinion underwent a process of attrition rather than any process of execution! You will recall that in the early years of the revolution, they spoke of a "flourishing Nicaragua" having few resources, but great enthusiasm on the part of everyone. However, aggression destroyed the plan, destroyed the program. I do not share the claims made by many comrades, even commanders of the revolution, who say that it was the program's planning that did not work. In other words, during the time I was minister (of planning), there were people, even including the current editor of EL SEMANARIO, who worked in planning and who knew of the effort we were making to achieve certain things, first of all, to organize the country's investment process and second, to strike a proper balance between income and spending. Despite that effort, all of which makes up "the plan," to give it a name, infinite forces were working to destroy it.

[Saballos] If that had not occurred, Commander, do you think the plan would have succeeded?

[Ruiz] For me, that is not the fundamental element. What is fundamental is that aggression turned the economy into an instrument of the military defense of the country. In that sense, the investment plan, public spending, the policy of collection and distribution, all turned into essential instruments.

[Saballos] You had a slogan of efficiency and what else?

[Ruiz] Efficiency and austerity are basic to everything and can even be a more abstract term.

[Saballos] If that had occurred, if there had been efficiency and austerity, even with the war, do you think a better situation would have evolved if they had heeded your instructions?

[Ruiz] There would have been better results, but the direction would not have changed.

[Saballos] So you continue to defend your economic plan, your program?

[Ruiz] The fact is that by defending the program, the Sandinist Front's proposal at the time, which was to have a

democratic economy, an economy that was also characterized by its mixed nature—in that sense, it was multistructural, and by that I mean that in that way, we were establishing pluralism in Nicaraguan society, but also skewed toward certain interests. We were skewing them toward the people's interests. For example, we were extremely concerned with social policies and we knew our economic "abc's." In other words, without production, there cannot be distribution, and no matter how shaky production was, it was also shaky in terms of production and we were extremely concerned over these things. In other words, the Sandinist Front's program was worn out by the war and this is a totally exogenous element for anyone fond of such terms. It was no internal contradiction that got us there, but rather, the war imposed, manipulated, planned, and so on, by the United States.

[Saballos] And speaking of the United States, Commander....

[Ruiz] I want to finish what I was saying. The lack of any plan at present is what I mean when I that the Sandinist Front has none because the circumstances of 1979 have changed. We have gone in a different direction and we need a plan for it.

[Saballos] Just what is that "different direction" that we have taken?

[Ruiz] Just what you see. A retreat from the entire model of the revolution. They say it is a movement toward a new model, but what new model? The government has not said either. It denies it is a neoliberal model, but we know what they are doing. The unemployment we have here is not coincidental, it is no accident. It is not that the economic planners are good or bad. What is happening is that they are getting rid of a government that intervenes in the economy as a principal subject, as one foot in a kind of trilogy. It is intentional. In other words, anyone who said they were preserving the revolution or the mixed economy, none of that is true. They are tearing it down. In that sense, the Sandinist Front could work toward a reorganization of that model. They should overhaul it, plan it, readapt it to the contemporary circumstances in which there must be dialogue and in which there can be no arbitrariness. We were arbitrary in many cases. In that sense, the term "consensus" is, more than semantic, a philosophical introduction that must be corrected, showing how such policies are to be implemented. They must not be imposed from above, hammered home, ignoring the opinions of others. Curiously enough, that is what this government is doing. This government is just as totalitarian as ours.

[Saballos] You mentioned the United States. In the document dated 17 November and signed by the national leadership of the FSLN, they state that they want to have a new type of relations with the United States, but I think they are referring to the same old proposal, which is that they should not interfere in the internal affairs of the country, but how is it different? And how will they do it from the plain?

[Ruiz] We have certain premises that we want to have expressed as fully as possible: noninterference in the internal affairs of the country, respect for self-determination, and so on. However, political practice states that these two premises are relative. What we are seeking is that, through a mutual understanding of the political essences of American and Latin American governments, of American and Latin American political expression, then we can understand the restrictive space of the absolute application of such principles. In other words, we understand that the sovereign range of the country's economy means that the country and the nation can make of the market what they want. Certain things are relative and certain limitations are determined by the international market. Let us suppose that national production is sufficient to develop our country. Nevertheless, that is only a half truth due to the interaction or overlapping of our country's economy with that of other countries. The search for a market and better conditions is in itself a national option. There is no reason why we must necessarily feel ourselves linked up with the American market. Nor are we forced to say that the full expression of the American economy and trade is the international panacea. They have to accept that that position is critical to us, but traditional American policy holds that anyone who is not in favor of their policy is against it. We must work to see that criticism does not necessarily lead to an antagonistic position. Soon after we came to power, we realized the advantage of having the American market right in front of us, but we realized equally quickly that it would strangle us. They refused to tolerate our language. They did not even give us a chance to learn.

[Saballos] What do you mean by "language," "chance to learn"?

[Ruiz] I say "language" because we were looking for action that would benefit the country. And I am sure that in trade, if they do not break with us, the sugar quota would have given us an advantage, as would the meat. But what are those quotas? Nothing but tutelage. Moreover, manufactured goods come with the prices put on them by the American factories. So we tried to establish an idea of a political order with the ideological differences that we have. We want that political order to exist for the good of governments and nations.

[Saballos] And how will they do that now that you are no longer in power?

[Ruiz] Now we can do it because we are further removed, we have fewer ties, fewer commitments, and we can understand the philosophy of both and make the distinctions. The other element is noninvolvement in internal affairs. We had a recognized position. Our support for the Salvadoran movement was belligerent. Now we will be more calculating, show more maturity, so we can exercise more political wisdom in the future practice of government.

[Saballos] In your capacity as treasurer of the Sandinist Front, how will you reconcile your own ethics with the so-called *pinata* [Sandinist government's appropriation of land and property after election defeat]?

[Ruiz] I think that any extreme is bad. According to statistics, extremes exist in order to show that a suitable middle

road exists. I think that we must look at this business of the pinata in such a way that will prevent any future repetition. If there has been any abuse, then the judge of such abuse is the law and is condemned by us. The fact that no cases have yet been brought does not mean that they will go unpunished.

[Saballos] Will the Sandinist Front prosecute them? How?

[Ruiz] We have to give the Sandinist Front and Sandinist Front members the political instruments so that ethics and morals can operate.

[Saballos] But a year and a half have gone by already!

[Ruiz] That is a very short time. You have to relate this to the so-called "property phenomenon." And along with it go other phenomena such as the formidable unemployment that brought with it a formidable economic contraction. Everyone is caught up in it. The philosophy of "every man for himself" and survival seemed to be the general trend for Nicaraguans.

[Saballos] But let us talk about the Front's ethics.

[Ruiz] I cannot take the Sandinist Front out of society.

[Saballos] We were talking about the "so-called pinata," your ethics.

[Ruiz] For me it is over and done with, but only insofar as it was legal, only insofar as it was legal. For example, the Sandinist Front says about homes: "homes to live in," not homes for homeowners. And if there are cases of homeowners, they must be eliminated. If the Sandinist Front cannot do so, it has laws. In that sense, it all has to go through the courts. Why does this have to be done? Because we must wipe away all suspicion from the Sandinist Front.

[Saballos] Suspicion on the part of whom?

[Ruiz] Actually, not of those on the outside. This is not the problem because before, we were suspicious of terrorists, thieves, and subversives, accused by people who are now.... It is we who must be cleared of suspicion. If we cannot be the organization we claim to be, if we are always plotting and suspecting one another of being crooks, then we will never be the organization that we supposedly want to be.

[Saballos] Commander Ruiz, do you not think the Sandinist Front has been on the defensive on this issue and failed to take a clear position ever since it came out into the open? They could have made it clear, as they are now doing, that certain properties were not paid for or were mortgaged and therefore belonged to the bank or the government. Is it not a fact that the Front did not handle it properly at the time?

[Ruiz] Either it was not efficient enough or it underestimated the matter. Let us not say "underestimated," because to speak of "it" as if the Front were an abstract entity.... The national leadership underestimated the problem. It did not act with sufficient speed and firmness.

[Saballos] And when will it do so, Commander?

[Ruiz] It has already begun. Remember that this Sandinist Front is not the same Front of officials it knew during the period it was in government. This Sandinist Front is more like the Sandinist Front of the underground days. A few commands and seeing how well the organization's drive belt works. But it has spoken out very clearly on the matter of agricultural and property ownership. What we view as legal is contained in the formulation of the laws, which they even supported. What is outside the law is not ethical for us, not ethical. However much legality supports it.... Let us put it another way: Someone may escape the grip of the law. For example, who can split up a property.... But it must be realized that ethically speaking, you were not right. And these are the values we must regain in the Sandinist Front in order for trust to exist again among Sandinists. That is why for me, the phenomenon of the pinata is not done and over with. As they have approached it, there is no way to change it. What they have to do is correct the abuse because I believe that there was indeed abuse. And now we have an ethics commission appointed by Congress which has its work cut out for it. But the "witch hunt" is not a good method anywhere. History has shown that it would not be worthwhile. They have to start moving in order to put an end to it, but a witch hunt? Personally speaking, I have never liked them.

[Saballos] You are the treasurer.

[Ruiz] With respect to the treasury.... That is an important question. Right now I do not know what they are talking about when they say the treasury of the Front to which my Sandinist brothers and others claiming to be Sandinists belonged. I do not even know if they are, but at any rate, in that broad spectrum of Sandinism, I have heard many people who say they have business with or engage in activities for the Sandinist Front or the party. I never listen to them. I have the impression they de-Sandinized themselves very quickly. Material wealth is dangerous and alienates. And we have to admit that despite all the efforts made by the Front, there are still many holes. [passage omitted]

* FSLN Labor-Management Conflict Viewed

* Labor Demands Rights

92P40106A Managua LA PRENSA in Spanish 15 Jan 92 p 3

[Text] Sandinist trade union leaders of the CST [Sandinist Workers' Federation] and FNT [National Workers' Front] called upon their union members to be "especially tough with Sandinist businessmen" who have recently refused to recognize their workers' labor rights.

In statements to the media, Ronaldo Membreno, CST and FNT leader, (considered by some workers as a possible successor to Lucio Jimenez, the union leader trusted by Daniel Ortega), stated indignantly that as Sandinist militants, they must defend the workers; he denounced in his party "those businessmen whose attitudes disparage a party whose platform is to defend the people's interests."

The Sandinist union leader was referring to FSLN [Sandinist National Liberation Front] businessmen who do not

even allow the formation of unions; he mentioned the Plaza Espana bakery, the Multitienda department store, and the People's Foods Industry (Inapsa).

With regard to Paul Atha, said to be the owner of the Plaza Espana bakery, he stated, "he is one of many opportunists who, in addition to usurping Sandinist goods, now wrap themselves in the FSLN flag to commit outrages against the workers."

"They ask the workers to behave like revolutionaries, even though they themselves do not," Membreno continued.

Paul Atha, Jr. Also

Membreno said that Paul Atha's son, of the same name, has also denied the right to form a union to workers in Inapsa, which he manages.

The CST has called upon its rank and file "to be especially tough" with these businesses.

* Solutions Suggested

92P40106B Managua EL NUEVO DIARIO in Spanish 15 Jan 92 p 4

[Commentary by Francisco Bravo Lacayo]

[Text] What was bound to happen, has happened in Sandinist Front businesses: the conflict between capital and labor, revealed in the 19th century by the fathers of revolutionary theory, Marx and Engels.

In its desire to fight on an equal footing with the bourgeois parties, the only remaining solution to the Front was to become business owners, so as not to depend on dues from their cadres. The dues were by all accounts insufficient to maintain active a party whose economic needs were ever-growing in a bid to confront and beat the traditional liberal-conservative bourgeoisie and the new social democratic and social christian parties, both powerful sources of external funding.

The easiest, most accessible, and practical solution was, as we said, to become business owners but, while solving one problem, another was created, as difficult as the first. However, the result was something deeper, i.e., the denial of the teachings and practices of Marxist theory.

The consequences were not long in coming. Thus we see that the workers in these businesses are at odds with administrators because of the inevitable law of labor-management conflict, with the resulting political cost to the Sandinist Front which has set its sights on winning back power by popular vote in the next elections.

Let us not pretend that we are going to find in these pages the solution to such difficult problems which need to be resolved by more lucid minds which take into account the new realities and which will find new solutions, utilizing Marxism, as its creator advised, not as a dogma but as a guide. Meanwhile, the most correct course of action would be for the Sandinist Front to choose managers from the most suitable among its members and who most closely follow the revolutionary beliefs, which were evident in the Front during the guerrilla struggle and the early years of the revolutionary government.

Managers must show advanced political development and revolutionary consciousness so that when the inevitable labor-management problems arise, they will not act like bosses but rather like revolutionaries, assuming that such a thing is impossible in absolute terms, but with the certainty that they will indeed avoid conflicts, which, in the end, would only add to strengthening the positions of the capitalist reactionary forces in our society.

* Free Trade Agreement With Mexico Described

92CA0070A Mexico City PROCESO in Spanish No 790, 23 Dec 91 pp 10-13

[Article by Fernando Ortega Pizarro]

[Text] Managua—The Mexican Government is rehearsing the role of giant. It is behaving towards Nicaragua very much the way the government of the United States behaves towards Mexico, and in connection with something similar: the negotiations on a free trade treaty between the two countries.

With an uncompetitive economy and with even cheaper labor than in Mexico, Nicaragua is in a hurry to sign an accord with our country, just as Mexico is in the case of the North American FTA [Free Trade Agreement]. As measured by the gross domestic product (GDP), Mexico's economy is 170 times bigger than Nicaragua's and, from the standpoint of exports, is 100 times the size. Nicaragua's territory is 1/15 the size of Mexico's, and the population of the small Central American country is 5 percent of Mexico's.

So, Nicaragua sees itself vis-a-vis Mexico much as Mexico sees itself vis-a-vis the United States.

And in the negotiations the Mexican Government has behaved towards Nicaragua in a manner commensurate with the difference in their sizes:

—In negotiations on Nicaragua's foreign debt to Mexico ($1 billion) the Mexican Government has forgiven 94 percent of it and asked its Nicaraguan counterpart to carry out an economic austerity plan, in keeping with the dictates of the International Monetary Fund and the World Bank, besides getting Managua to agree to exchange debt for shares in its state-run enterprises, a swap arrangement, much to the benefit of Mexican businessmen.

This is almost exactly what Mexico's main creditor, the United States, got in rescheduling our national debt.

—As for oil, Mexico agreed to send on to the IDB [Inter-American Development Bank] 80 percent of the amount of Nicaragua's crude oil bills, so that the money could be returned to the country, but only to support development projects, upon approval by the creditor nation (in other words, Mexico).

—As a result of the treaty negotiations, Mexico will be turning Nicaragua into a sort of private truck garden of its

own. Mexico will lend Nicaragua technical assistance and financing so that it can plant black beans, white corn, sesame, tobacco, melons, pineapples, and vegetables and expand its livestock herd. All of these products will then be sold to Mexico because it is less expensive to produce them here.

These three examples show that when it comes to imposing one's will, it is all a matter of size.

If a bilateral free trade agreement is eventually signed, Mexico is all set to invade the Nicaraguan market.

Nicaraguan industry is practically nonexistent. In the countryside the situation is equally precarious, even though farming is the economy's largest sector. Two growing periods have been lost to the drought, which also caused an electric-power shortage. Moreover, the absence of a property law is inhibiting potential investors. President Violeta Chamorro's government has pledged to push the property law through before the end of the year, but this seems unlikely given the disagreements with the Sandinist groups in Congress.

Nicaragua has even been weakened by the resumption of the armed struggle. After an eight-year civil war between the former Somozists and the Sandinists, who carried a social revolution to victory and then lost in an election more than a year ago, the "recontras" [former Contras who have taken up arms] and the "recompas" [former Sandinist People's Army soldiers who have taken up arms] have reappeared in various northern Nicaraguan cities.

Interviewed by this reporter about the free trade treaty with Mexico, civil servants, workers, lawmakers, and members of religious orders hope that Nicaraguan labor and the advantages being offered to the assembly industry will attract Mexican businessmen before they are ousted from their own market by American or Canadian companies.

Mexican businessmen have come here to take a look at potential investments. The ICA [Associated Civil Engineers] group will be involved in the construction of prefabricated homes; the parent company and two affiliates of a transnational corporation, from the United States, Central America, and Mexico, are vying for an agricultural project in Nicaragua; investors from Spain, Venezuela, and Mexico are interested in the Montelimar tourist resort on the Pacific coast.

Mexico a Supplier

Sonia Somarriba, the director of trade relations at the Ministry of Economy and Development, and Eduardo Gittli, an adviser, represent Nicaragua in the treaty negotiations. In her modest office Somarriba explains that her country is exceedingly interested in signing the treaty as soon as possible, because they want to attract Mexican investment and promote domestic investment. "We need to tell Nicaraguan businessmen that Mexico is giving us zero tariffs to encourage them to produce and export."

The growth rate of the Nicaraguan economy has been negative over the past four years (in 1989, for example, it was a minus 2.9 percent). Its total external debt stands at $10 billion, and it has no ability to pay. Its exports this year will amount to some $300 million, while its imports will total $800 million.

Nicaragua exports mainly coffee, cotton, meat, bananas, sugar, sesame, shellfish, and liquor. It imports oil, fertilizers and agricultural chemicals, foodstuffs, beverages, tobacco, chemicals, pharmaceuticals, textiles, and footwear.

Trade between Mexico and Nicaragua is less than $17 million. This year the trade balance will be $790,000 in Mexico's favor.

Most of Nicaragua's exports go to Germany, Canada, Costa Rica, Japan, Austria, France, the USSR, Honduras, Portugal, and Czechoslovakia, in that order.

In contrast, Mexico is Nicaragua's second leading supplier, after the Soviet Union.

Nicaragua's negotiators submitted their trade-deregulation plan to Mexico last September. They are concerned that Mexico has not yet responded. They are determined to have it signed during the second half of December or before 11 January 1992, the first anniversary of the meeting in Tuxtla Gutierrez, Chiapas, when the presidents of Central America and Carlos Salinas de Gortari agreed to establish free trade in the region by 1996.

Their deregulation proposal calls for Mexico to lift tariffs quicker than Nicaragua will since they are at different levels of development. Thus, Nicaragua wants to start with a tariff of 53.45 percent in 1992 and wind up with a zero tariff in 1997, whereas it wants to Mexico to start with a 10 percent levy and reach zero in 1994.

"We need more time to cut tariffs in Nicaragua. Domestic industry is so weak that the slightest liberalization would cause it to collapse on us."

Mexico accepted the proposal in principle, above all out of political convenience: "To show the United States and Canada that Mexico acknowledges asymmetry among countries of different relative development, such as those of Central America. The United States is denying such asymmetry to Mexico," says Eduardo Gittli.

He then asserts that Mexico is also in a hurry to sign the treaty. "President Salinas's administration wants to make Mexican businessmen more efficient so that they do not go after just the U.S. market but rather markets all over the world. Business is becoming global, and partnerships between businessmen are much bigger. It is in Mexico's interest to have a trading partner, like Nicaragua, with cheap available land and labor. We are not so dense as to believe that we are Mexico's salvation, but Nicaragua is part of a general process."

Sonia Somarriba says that major gains have been achieved, especially as far as the expansion of goods for export is concerned. Officials at the SARH [Secretariat of Agriculture and Water Resources] and the Economy Ministry have

identified priority areas. Mexico has pledged to provide technical assistance (in irrigation, production, storage, and marketing) and financing.

"There was talk of a minimum of joint investment, and the items of interest were identified. The growing of sesame and other oilseeds will be promoted in Nicaragua, as well as melons, pineapples, vegetables, and other nontraditional crops. Cattle raising will also be promoted. All to expand the supply of goods for export to Mexico."

Under the agreement Mexico will furnish technical assistance in animal- and plant-disease control in order to support and train Nicaraguan specialists and inspectors.

Guarantee of No Expropriation

Nicaragua passed its Investment Law last April, including guarantees of nonexpropriation and affording complete freedom to incoming capital, with the possibility of 100 percent investments in almost all areas. In the areas of energy, banking, and telephone service there is no specific policy, which is left up to the discretion of the authorities.

There was not much consultation with production sectors in Nicaragua. The deregulatory proposal got through easily. "The most important thing for the country," Gittli says, "is not to use the treaty to defend declining economic activities but rather to attract investment and open up markets. It is very hard to imagine what ought to be protected, because the situation is bad and we cannot wait 10 years to see whether it rights itself. You cannot close a market to protect an industry or 250 workers; it makes no sense. It is difficult to stop and think, especially when you want to set the country right and reintroduce it into the system of world production."

He remarks that the treaty between the United States, Canada, and Mexico, if signed, will redirect investment. "The investment process in Central America is coming to a halt. There have been many cases of companies that have halted their expansion programs in expectation of going to Mexico and expanding there instead of doing so in Central America."

Nicaraguan businessmen are seeking partners. "They have small amounts of capital, land, and ideas but lack a way to put them to use. Thus, the arrival of Mexican businessmen will act as a catalyst for these ideas."

Ramiro Gurdian, the chairman of the Superior Council of Private Enterprise, the largest businessmen's group, which brings together most of the country's industrialists and merchants, does not fear a flood of Mexican goods. Rather, he wants them:

"If the Mexicans are more efficient, they are welcome. The fact is that we cannot keep on protecting inefficient industries. I am very sorry, but that is the way it is. If Mexican shoes or a Mexican dress are less expensive and of equal quality to those here, well I would buy them."

Nicaragua, he says, does not pose any danger to Mexico. "There is no industry here, man. There are very few and are exporting $12 million a year: Coca Cola, the brewery, rum, and cigarettes. We have no canned goods plant here. There is one that makes tomato sauce and another that puts out little cans of juice, but there is no canning of vegetables, meat, fish, or soup. Nor do we produce noodle soup in packets."

Gurdian says that the privatization of state-run enterprises is running into problems. "Some workers do not want to give them back. There are Sandinist commands, not a labor movement in Nicaragua. There is no enterprise that has really been taken over by the workers. Sandinist commands are sent in to take over the enterprise, and they even include members of the Army in civilian clothes. And if they carry submachine-guns, well there you are.... Free fatherland or death. The workers themselves are sick and tired of this situation, and what they want is to work."

"Some businessmen say that since the Nicaraguan economy cannot compete, the aim of the treaty is political: to consolidate the economic reforms that Mrs. Chamorro's government started to apply so that there is no backtracking."

"Yes. The fact is that communism has already failed; it is over. Marxist-Leninist theory no longer exists, except in China. The world has changed, so there is no going back. The treaty bolsters this position. The agreements with the IMF and World Bank point in this same direction. This is why these institutions are Nicaragua's best allies."

Austerity Salinas Style

Lili Soto is an executive member of the National Front of Workers (FNT), the country's biggest labor federation, which brings together blue-collar workers, peasant farmers, and civil servants affiliated with the Sandinists. She says that the FNT has asked the government to adopt gradual measures to straighten out the economy and not to cancel social policies; yet it implemented a radical economic shock program on 3 August 1991.

This came six months after Nicaragua rescheduled its debt to Mexico, pledging to straighten out its economy.

"The austerity program increased unemployment from 32 to 46 percent of the work force, which totals 1.3 million persons. And if we include underemployment, then a little over half of the population was left without work. This year there were 197,775 more people without jobs."

The situation is even more tragic if we bear in mind the annual demand for work. "This year 20,000 young people were unable to attend university because of the hike in fees. And 200,000 could not go to primary school."

"We said that if there was going to be a stabilization program, they ought to have plans for reincorporating these workers into other jobs. There was no response to this demand. Therefore, the underground sector of the economy has grown uncontrollably, selling imported merchandise; these businesses sell primarily all sorts of foreign goods. This hurts industry. It is a result of trade liberalization. We are turning into a consumer country and closing the door on domestic small and micro industries."

She says that since our industry is obsolete, what Nicaragua is really offering is cheap labor and raw materials. "The minimum wage for rural workers is 150 cordobas a month, which is equivalent to $30 (90,000 Mexican pesos); for blue-collar workers and civil servants it is 234 cordobas, some $40. The basic food basket costs 813.8 cordobas, or $162. People cannot afford it."

The FNT proposes a national dialogue to achieve the social stability, security, and disarmament that the country needs and to analyze issues such as the treaty with Mexico. "Our industrialists are not prepared and need time before they can start to compete."

One of the FNT's accomplishments is having gotten the government to agree that the workers should own 25 percent of the shares in some 350 public enterprises that are going to be privatized. It is also demanding the privatization of 128 enterprises for the benefit of the workers.

Lili Soto feels that the repercussions of the treaty with Mexico will be troublesome. "Nicaragua does not have an industrial plan; no thought has been given to the technological development of companies. The role that they can play in the market is limited. Like other Latin American countries, Nicaragua represents the dessert industry: it produces mainly bananas and coffee."

Swaps

President Violeta Chamorro abandoned a $17 billion suit against the United States for war damages, a suit on which the court in The Hague had ruled in Nicaragua's favor. With the help of Mexico, Venezuela, Colombia, and Spain, it paid $327 million in past due loans to the World Bank and IDB. Nicaragua then received the blessing of these two institutions and the IMF, plus promises of more loans from them.

The United States, for its part, forgave the Nicaraguan Government's $259.8 million debt, which it had contracted in the time of Anastasio Somoza.

Nicaragua later rescheduled its $400 million debt to Venezuela and received a 95 percent discount by using the Brady Plan's zero coupon bond. The same arrangement was used for its $1 billion debt to Mexico, but with one change: "Mexico asked that a swap arrangement be incorporated so that debt could be exchanged for shares in state-run enterprises," explains Jose Felix Solis, the first vice president of the Central Bank of Nicaragua.

The Nicaraguan official professes special admiration for the negotiators from the Finance Secretariat, especially Secretary Pedro Aspe, who visited the offices of the Central Bank of Nicaragua.

He explains: Half of the debt to Mexico was rescheduled through zero coupon bonds, which carry very low interest rates and 30 to 35 year maturities. The other half was discounted at a ratio of $10 to $1, provided that the swap was used. "Given this arrangement and if we bear in mind the current value of the zero coupon bond, which is related to the price of Nicaraguan debt on the secondary market, the country was able to reduce its debt to Mexico by 94 percent."

The rescheduling of the debt entailed "major concessions." The official says so openly: "There is a very heavy subsidy component on Mexico's part. It offered a large discount because the country has no ability to pay."

"Did the Mexican Government want Nicaragua to apply an economic stabilization plan in exchange for rescheduling the debt?"

"Yes, of course, any country would ask for that. An economically unstable country cannot honor any debt. Of course, multilateral organizations, such as the World Bank and the IMF, are the ones that give the green light. The country depended on the commitments that it might make to these institutions. In part, the negotiations, the talks, meant that the country would have to correct or level out its imbalances."

He says that Mexican businessmen are prepared to use the swaps to acquire Nicaraguan companies. "But what has been lacking is publicity. Mexican investors apparently do not know what arrangement is going to be used. Moreover, the government is just now compiling the complete list of companies for sale, which will be sent to Mexico so that businessmen there can choose."

Lastly, he says that as far as sales of oil are concerned, Mexico granted Nicaragua further concessions under the San Jose Pact. "Before, 80 percent of the bills were paid in cash, and the other 20 percent was earmarked for energy or economic-development projects, by mutual agreement with the creditor country. The percentages have been maintained, but now 80 percent of the bill is deposited in the IDB, instead of being kept in its banks. The IDB can recycle the money to Nicaragua for viable projects that are approved by mutual agreement."

Panama

Linares Comments on Noriega Attorney Issue

PA2901233992 Panama City Radio KW Continente in Spanish 1200 GMT 29 Jan 92

[Report by Jenny Lee Martinez]

[Text] Foreign Minister Julio Linares pointed out that the Foreign Ministry's decision on the request made by Manuel Noriega's defense attorneys was based on political considerations:

[Begin recording] [Linares] We must ensure he gets a fair trial. What is expected from us? If the national government lends itself to an unfair trial, Noriega and all his supporters could claim he was found guilty because he was not granted the appropriate means for an adequate defense. Do you have any doubt as to Noriega's guilt? If there are any doubts, let us all contribute so that the trial can be as unbiased and as open as possible. That is what I believe. As responsible public officials, and in order to promote the good name of this country, we must all contribute to this. If we fear that

Noriega could be found guilty, we start looking for pretexts. First of all, I think we will be doing Panama a great disservice. Second, we will be clearly indicating that we doubt Noriega's guilt. I have no doubts as to Noriega's guilt. I believe he is guilty of all the charges and lots of others that have yet to be made.

[Martinez] Minister Linares, Noriega's defense attorney, Frank Rubino, hired the services of Panamanian lawyers on 28 January. Among these, we can mention Mr. [Ramiro] Fonseca. They have pointed out that they will have to file suit against you.

[Linares] Why would they have to file a lawsuit against me?

[Martinez] Because of the decision to allow these U.S. attorneys to carry out legal inquiries in Panama.

[Linares] As I just answered, that is not a matter for the Foreign Ministry to decide because that institution is not a court of law. It is not within that institution's responsibilities to determine whether or not the gathering of information for legal purposes must be undertaken. Furthermore, if it is undertaken, neither are they entitled to say how it should be done. That is the exclusive jurisdiction of the courts of law or, in this specific case, the Supreme Court's Fourth Chamber. Our role is exclusively that of examining the political aspects of this issue. As I previously said, any country may request in writing the gathering of information. It is our responsibility to analyze if, politically, Panama should accept the request or not.

It may be that particular country's practice to deny this type of request. In that case, Panama would then apply a policy of reciprocity. We take the necessary steps, but it is a political decision. If we conclude that there are insufficient reasons to accept the petition, then we forward the request to the Supreme Court, which in turn studies the legal aspects of the issue. The Supreme Court may conclude that the request does not conform to our legislation and may reject it. At any rate, the Foreign Ministry cannot take over the Supreme Court's duties and unilaterally decide that the request is illegal. That is the Supreme Court's responsibility. [end recording]

Noriega Attorneys Reportedly Being Investigated

PA2901233792 Panama City EL PANAMA AMERICA in Spanish 29 Jan 92 p 1

[Article by EL PANAMA AMERICA editorial staff]

[Text] Frank Rubino and Joaquin Fernandez, attorneys of deposed General Manuel Antonio Noriega, are being investigated for embezzlement, corruption of public officials, and association for criminal purposes, in a legal action filed by Cecilia Lopez, former second district attorney of Panama.

The Attorney General's Office has information that, between March and October 1988, the defense attorneys of the then-Armed Forces chief received three checks totalling 800,000 balboas through Ramon Arosemena, their corresponding attorney in Panama. These disbursements were made from account number 04-72-0053-9, also identified as the Reserve Fund [Fundo de Adelanto] of the Panama Defense Forces [FDP].

Check number 316, for 200,000 balboas, was drawn on 19 March 1988. On 18 July, check number 339 for 300,000 balboas was issued and on 6 October check number 341 for the same amount was issued. The FDP checks made out to the attorneys in Miami were wired by the Banco Internacional de Panama to the Central Bank of Miami. The lawsuit revealed that bank transfer number TT50288 was sent to Frank Rubino and Joaquin Fernandez, two of Noriega's three lawyers, who are currently in Panama taking depositions from three arrested former military officers. The information was obtained from a sworn statement by the father of Gen. Noriega's corresponding attorney at the Second District Attorney's Office.

These payments forced the Directorate for the Recovery of State Property (DRP) to issue Resolution No. 402 on 16 January 1990, ordering the physical confiscation of the property and the seizure of the funds of Noriega, Ramon Arosemena, Frank Rubino, Joaquin Fernandez, and other of Noriega's lawyers.

With regard to a suit filed in January 1990 by attorney Jorge Hernan Rubio against Frank Rubino, the first municipal attorney of Panama on 12 June dismissed the charges of criminal association, falsehood, and illegally practicing law.

On 24 January, the Noriega defense team was criticized for illegally practicing law. Rubino appointed his Panamanian colleagues Humberto Toala, Ramiro Fonseca, and Luis Carlos Cabezas as his defense attorneys in this legal action filed by Sidney Sitton, Maria Carrillo, and Guillermo Morales.

On 28 January, defense attorneys and prosecutors in the Noriega case questioned Colonel Nivaldo Madrinan, who based his testimony on a book printed by the FDP, which compiles the efforts against drug trafficking. Madrinan's attorney Ramiro Fonseca explained that his client "cleared" Noriega's name with his statements. He revealed that the U.S. prosecutors tried to discredit the testimony of the arrested former military officer.

Bolivia

Paris Club Pardons Part of Foreign Debt

PY2801180592 La Paz Television Boliviana Network in Spanish 0200 GMT 28 Jan 92

[Text] During a meeting with the Paris Club, 50 percent of Bolivia's foreign debt was pardoned:

[Begin recording, in progress] [Unidentified reporter] ... 24th analyzed the country's situation that had been submitted by area ministers regarding the bilateral debt and achieving positive results, said Planning and Coordination Minister Samuel Doria Medina, when he gave more details on the results of the meeting.

[Doria Medina] Fifty percent of services on the Bolivian foreign debt will be pardoned. This debt will fall due in the next 18 months. Bolivia will pay only $31 million of the $217 million that was due to be paid during this period. The remaining $185 million [as heard] will be pardoned in part, and the payment will be postponed.

It should be noted that Bolivia has been given special treatment, considering that the Paris Club only negotiates a debt when an agreement is reached with the IMF. Bolivia has reached an agreement with the IMF to pay on its debt in the upcoming six months. Bolivia, however, received this treatment for the upcoming 18 months. We have the security that Bolivia will continue to hold to its agreement with the IMF and with structural reforms.

The debts that will fall due and that were agreed upon at the Paris Club two years ago were renegotiated. It also was agreed to postpone the debt payment for the next 18 months. This was possible in view of the different situation that will prevail in the country because of the price reduction in gas exported to Argentina. Consequently, it will be possible to alleviate the external effect on the balance of payments that will be affected by the price reduction in Argentina. [end recording]

COB Accepts Government Proposal, Lifts Strike

PY2901135892 La Paz Television Boliviana Network in Spanish 0200 GMT 29 Jan 92

[Text] After several weeks of conflict and a meeting to analyze the situation today, the Bolivian Labor Federation [COB] decided to suspend its mobilizations and sign an agreement with the government. This is the report.

The draft agreement between the COB and the government addresses the issues of public companies' reform, the military's participation in the fight against drug trafficking and the eradication of coca plantations, salary increases, and the issue of taxes. These issues were discussed and analyzed at the COB plenum. After the negotiating commission presented its report, affiliated union representatives gave their opinions, and most agreed that the draft agreement was good for the Bolivian working class. Mine union delegates, who were late for the plenum, held a separate meeting to analyze the proposal and then conveyed their decision to sign the agreement, stressing that workers themselves are responsible for seeing that government promises are kept. This is what mine leader Oscar Salas said:

[Begin recording, in progress] ...sign this document. [applause] This is the decision of the mine workers. [end recording]

Other leaders and COB departmental representatives gave their support to the leadership to sign the agreement and lift the hunger strike. At the plenum's end, workers voted to suspend their mobilization and to sign the agreement with the government. Both proposals were accepted by a large majority. The only objection came from the peasants' union. The conclusions were read by the COB secretary:

[Begin recording, in progress] ...will continue analyzing measures to slow down the auction of public companies and to pursue the other COB demands. Second, we demand the elimination of all government pressures against workers, such as arrests, dismissals, fines for participating in mobilizations and strikes, etc. Third, it is decided to maintain a state of permanent alert to guarantee the fulfillment of government promises and to repel any attempt to continue with the privatizations. Fourth, the final document produced as a result of COB and government discussions is accepted and the signing of the document is authorized. Fifth, the five-point agreement concluded between the Miners' Federation and the government must be incorporated into this agreement. Sixth, the COB plenum, after the appropriate consultations nationwide, has decided to lift the hunger strike that was heroically carried out by more than 1,000 workers throughout the country. These are the resolutions. [applause] [end recording]

Brazil

Venezuelan Planes Reportedly Invade Airspace

PY2901154092 Rio de Janeiro Rede Globo Television in Portuguese 1524 GMT 29 Jan 92

[Text] Federal police and the FUNAI [National Indian Foundation] have confirmed that four Venezuelan planes invaded Brazilian airspace on the afternoon of 27 January. The four planes invaded Brazilian airspace and overflew a FUNAI checkpoint in a Yanomami area, 5 km from the border with Venezuela.

These reports were conveyed to Brasilia through two telegrams, one from the federal police and the other from the coordinator of the FUNAI-sponsored Yanomami operation. The telegrams were sent from Boa Vista, which is located approximately 400 km from the FUNAI checkpoint in the Yanomami area.

The telegrams said the planes could have been fitted with bombs, and that one of them made a low-altitude flight over the checkpoint. The reports already have been sent to Itamaraty, which will issue an official note this afternoon.

Foreign Ministry To Investigate

PY2901233292 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 29 Jan 92

[Text] The Brazilian Foreign Ministry, Itamaraty, will investigate the invasion of Brazilian airspace 27 January by Venezuelan Air Force fighter planes.

Itamaraty believes that the invasion of Brazil's airspace was not a deliberate action by the Venezuelan Air Force. This was stated by Itamaraty Press Secretary Fernando Mello Barreto. The report on the invasion was issued by the federal police, which said that four Venezuelan fighter planes made low-altitude flights, 100 meters above a FUNAI [National Indian Foundation] checkpoint in (Catrimina Dois), an Ianomami Indian reserve 10 km from Venezuela.

[Begin Mello Barreto recording] Itamaraty believes that the Venezuelan Air Force did not deliberately violate our airspace. However, Itamaraty is in contact with the Aeronautics Ministry, the Amazon military command, and the federal police to verify the facts. [end recording]

Foreign Minister Francisco Rezek will be summoned by the congressional Foreign Affairs Committee to clarify certain points about the incidents that took place on the border between Brazil and Venezuela. According to Mello Barreto, although Itamaraty is investigating the border incidents, the government's current priority is to obtain Venezuelan authorization to bring back to Brazil the corpse of Jose Xavier de Mendonca, the pilot of the Cessna plane downed in Venezuela on 16 January.

'Secret' Presidential Budget Spending Reported

PY2901174492 Sao Paulo FOLHA DE SAO PAULO in Portuguese 27 Jan 92 Section 1 p 4

[Report coordinated by Gutemberg de Souza in Brasilia]

[Text] A small group of employees from the Presidency of the Republic last year used almost 300 million cruzeiros in secret spending. The final destination of the money is a mystery to society. Even legislators will have difficulties finding out how it was spent. The amount is equivalent, for instance, to 19.5 brand new 1.6 Gol CL cars.

Two of President Fernando Collor de Mello's close assistants, private secretary Claudio Viera and special adviser Luiz Carlos Chaves, appear responsible for the spending of 10.8 million cruzeiros and 30.5 million cruzeiros, respectively.

Figures obtained by FOLHA from documents of the General Directorate for the Planalto Palace Administration were adjusted according to changes in foreign exchange rates. Those documents, which now have become confidential, only indicate the figure and the person responsible for the spending, followed by an observation saying that the fund comes from allocations to cover secret or confidential activities. The report does not include any reference to the reason for the spending or the use of the money. Taxpayers can only imagine what kind of secret activities are carried out, for instance, during ceremonies at the Planalto Palace headed by diplomat Osmar Vladimir Chohfi. He had a budget of nearly 4 million cruzeiros available for that purpose during 1991.

The same thing happened with the Public Relations Office headed by spokesman Claudio Humberto Rosa e Silva. This office received almost 5 million cruzeiros for secret activities during 1991. The money is listed as disbursed in the name of Rosa e Silva employees. The spending was done on behalf of 18 presidential employees, civilians and military officers included. The record is held by Alvaro de Oliveira Lima, head of the Administration Department. The amounts used under his responsibility, at today's value, amounts to almost 111 million cruzeiros.

The secret use of public funds, a widespread practice during the military regime, is permitted by the law that organized the government's system of financial administration and the National Accounting Office (TCU). Decree No. 200 that was issued by President Castello Branco in 1967 says that "the use of funds for reserved or confidential purposes will be made secretly, and the accounts of those responsible also will be considered confidential."

The documents on the spending circulate in closed envelopes within the TCU and are revised only during secret sessions. After the amount of the secret spending made by the Strategic Affairs Secretariat (former SNI [National Service for Intelligence]) of the Presidency during 1991 became known, the government sent a bill to Congress regulating legislators' access to the information pertaining to the spending. The bill was not approved, but it provides that the information will be made known only to a small commission of deputies and senators. Today a request for information from Congress requires a TCU plenum approval first.

Tax Bill, Foreign Investment Statistics Noted

PY0301135092

[Editorial Report] Following are reports on economic activities in Brazil from 31 December to 2 January. Source information is given in parentheses after each item.

On 30 December, President Fernando Collor approved the emergency tax reform bill that, according to the Economy Ministry, will increase the government's revenues by $10.5 billion in 1992. The president vetoed only the single paragraph of Article 75 of the bill. (Sao Paulo O ESTADO DE SAO PAULO Political Section in Portuguese 31 Dec 91 p 4)

The Central Bank has reported that the inflow of dollars from foreign loans and investment reached $10.1 billion between January and November 1991, in comparison with $5.3 billion throughout 1990. (Rio de Janeiro O GLOBO Economic Section in Portuguese 2 Jan 92 p 18)

Chile

Peru's Blacker: Talks With Silva 'Encouraging'

PY3001020092 Santiago Radio Cooperativa Network in Spanish 2200 GMT 29 Jan 92

[Text] Chile and Peru today designated their respective work commissions that will be in charge of gathering all

information concerning the subjects discussed in Santiago by the two countries' foreign ministers, including the legal framework that allows Peru to administer Arica docks, railway, and customs facilities.

This was disclosed by Peruvian Foreign Minister Augusto Blacker at the conclusion of his second working meeting with his Chilean counterpart, Enrique Silva Cimma, at the Foreign Ministry.

Blacker added that on 15 March—the date set for these working commissions to start their activities—the two countries already will have a work schedule that will allow them to draft complete proposals for agreements that could be signed by President Alberto Fujimori during his visit to Santiago the first week of August.

Regarding pending issues of the 1929 treaty, Blacker said that he had discussed them with the Chilean foreign minister yesterday, that a work plan had been established, that the two countries had selected their commissions, and that the efforts being made are very encouraging.

The Peruvian minister added that, in his opinion, the two countries share a common viewpoint regarding what should be done, and that they do not see any reason that will prevent the attainment of a positive and effective decision.

Blacker added that this means that the pending issues of the 1929 treaty and its complementary treaty should be fully solved and settled in a relatively short time, so that the two countries may continue working on the integration process.

When asked whether the pending work on the Arica dock, the railway, and customs should be administered by Peru, Blacker said that Peru believes so. He then said that, in order to avoid misinterpretations, the fact that Peru says that it wants to administer these institutions does not mean that it does not acknowledge Chilean sovereignty, especially the land it occupies, nor is that sovereignty being questioned.

Blacker added that the sovereignty issue will be discussed by the two commissions, adding that it is not wise to give opinions at this time when the work is just beginning.

When asked about the Chilean opinion on the matter, the Peruvian minister said that, in the first place, Chile—through its president and foreign minister—has informed Peru about its firm political decision to resolve these pending issues as soon as possible.

Revolutionary Left Movement Denies ETA Link

PY2901181692 Santiago Radio Chilena Network in Spanish 1600 GMT 29 Jan 92

[Text] The Movement of the Revolutionary Left [MIR] has charged that a smear campaign has sought to link the MIR and the ETA [Basque Fatherland and Freedom]. MIR leader Patricio Rivas said that the campaign's objective is to divert people's attention away from facts like drug trafficking, the Letelier case, and the arms smuggling case.

Rivas added that this is an attack against the left at large and that it is therefore surprising that the left has not yet let its voice be heard about a fact that, in his opinion, hurts part of Chilean history.

[Begin Rivas recording] Our comrades of the left have not helped us confront this propaganda campaign that is sponsored by the rightist faction. Some leftist comrades seem to believe that the attack against the MIR is exclusively against the MIR, but they fail to realize that it is an attack against a period of our own history, a period that began in the 1960's and extends to this date. [end recording]

Rivas emphasized that the MIR never has had any operational links with Spain's ETA, and the link that has been attributed to them is the result of a real habit of Spanish authorities, who link ETA with just about any Latin American movement.

Colombia

Sanin Asserts Rights in Gulf of Venezuela

PA2901173292 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 29 Jan 92

[Text] The issue of the delimitation of marine and submarine areas in the Gulf is still pending. On 28 January, Foreign Minister Noemi Sanin pointed out that it would be untimely to stop the negotiations, as certain Venezuelan politicians have suggested.

[Begin recording] [Sanin] The Colombian Government believes in direct arrangements and in the negotiations that are under way. The government believes that negotiations are the most suitable mechanism at present to resolve the conflict.

There is another important point to be considered. If the talks are frozen, we would not be able to exploit our resources; this is what some sectors are proposing. I believe that we need all of the resources in our country for development. Therefore, the sooner we reach an agreement, the better it will be as far as using and benefiting from those same resources.

[Unidentified reporter] Madam Minister, the Venezuelan president said that Colombia has very few rights in the conflict that is being negotiated. What is your opinion?

[Sanin] Colombia has rights in the Gulf of Venezuela. No one can debate that we have rights in the Gulf of Venezuela or Coquibacoa. What we are debating is where those rights lie. That we have them is a fact and, in proportion with our coasts, they are important for Colombia. [end recording]

CNGSB Response to Paramilitary Activity Noted

PA2901171792 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 29 Jan 92

[Text] The Army and paramilitary forces have set their sights and weapons on areas where, over the past few weeks, the guerrillas have focused their attacks. In Santander, the guerrillas have perpetrated kidnappings, mined roads, attacked towns, and ambushed military patrols; in Cesar,

more than 20 mayors have been threatened and over 100 cattle breeders were kidnapped in 1991; and in Arauca, the oil production infrastructure is under constant threat.

The Simon Bolivar National Guerrilla Coordinating Group [CNGSB] explains that its military actions increased when paramilitary forces were transferred from Middle Magdalena to Santander and Meta, where they have established bases. This fact explains the complaint that will be heard in Caracas, to the effect that regional dialogues should begin in Santander and Meta, and that mayoral delegations from Cesar should be welcomed to Caracas.

Commissioner Juan Gabriel Uribe, meanwhile, urges a change of language in the Caracas talks.

[Begin Uribe recording] I believe that the negotiating table should be broadened and especially opened to the political issue because, evidently, a subversive justifies his rebellion from a political, not a military, standpoint. [end recording]

In fact, the first points on the guerrillas' agenda are the paramilitary issue, human rights violations, and the cessation of the bombing of civilians.

Peace Talks To Continue Despite Violence

PA3001023992 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 30 Jan 92

[Text] Twelve guerrilla members have been killed, 12 have been wounded, and eight have been captured during clashes between the Army and a column of the Simon Bolivar National Guerrilla Coordinating Board in the Segovia and Remedios Municipalities, Antioquia Department.

Despite the situation, the Presidency announced a few minutes ago that the peace talks will be resumed in Caracas on 10 February.

Roundup of Guerrilla Activities 18-28 Jan

PA3001005092

[Editorial Report] Following is a compilation of reports on guerrilla activities in Colombia between 18 and 28 January. Source information is given in parentheses after each item.

A police spokesman reported that a Revolutionary Armed Forces of Colombia [FARC] column raided Fuente de Oro Municipality, Meta Department, on 17 January and attacked the police station, killing officers Epifanio Quintana Eslava and Carlos Arturo Taborda Pelaez and wounding Faberth Ramirez Mendoza. The official added that a subversive was killed in the incident. Police officials killed one FARC rebel on the road to Puerto Lleras, Meta Department. Police officers Jesus Maria Martinez and a criminal identified as Hector Henao died in a military operation at Florencia Municipality, Caldas Department. (Santa Fe de Bogota EL NUEVO SIGLO in Spanish 18 Jan 92 p 7)

Police officials reported that FARC guerrillas attacked Puerto Lleras, Meta Department, on 17 January but failed to cause any damage or casualties. The authorities defused four incendiary devices and killed one FARC member. Authorities also aborted a subversive plan prepared by an urban Popular Liberation Army [EPL] cell in Barranquilla. Four ELN members were arrested in the act: Carlos Roberto Pacheco, alias Commander Elias; Maximo Sergio Florez Sanchez; Julian de Jesus Duarte, alias Pereira; and Hernando Enrique Movilla Ariza. Engineer Bernado Lopez Bustos; Guillermo Leon Aguirre, alias Ganvino; and Moises Maria Gomez Alvarez were arrested in other operations. (Santa Fe de Bogota EL TIEMPO in Spanish 18 Jan 92 p 8A)

Two members of the paramilitary group that participated in the massacre of 20 Indians in El Nilo farm, Caloto, Cauca Department, were found dead on 18 January. The reports from Miranda Municipality, Cauca Department, indicate 23 persons have been reported missing and nine have been found dead. Public officials say that FARC guerrilla fighters are kidnapping and assassinating reported members of a local paramilitary band. (Santa Fe de Bogota EL NUEVO SIGLO in Spanish 19 Jan 92 p 1)

Authorities report that an ELN guerrilla group used dynamite to destroy the Tamalameque section of the Barrancabermeja-Costa Atlantica oil pipeline on 22 January. The explosion caused a forest fire that was extinquished by Colombian Petroleum Enterprise workers. (Madrid EFE in Spanish 1543 GMT 22 Jan 92)

A group of hired assassins raided a sports center in Copacabana Municipality, Antioquia Department, on 18 January, killing four persons and wounding several others. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 23 Jan 92)

One police corporal and nine guerrilla fighters were killed, and five policemen were wounded, in three attacks by Simon Bolivar National Guerrilla Coordinating Board [CNGSB] forces. The first attack was perpetrated with rockets and grenades against the police station in La Cruz, Narino Department. One corporal was killed, two policemen were wounded, and heavy damage was caused. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 25 Jan 92)

A section of the Barrancabermeja-Bucaramanga oil pipeline was blown up hours ago by CNGSB guerrilla forces. The explosion resulted in an oil spill of more than 1,000 gallons, which soon burst into flames. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 25 Jan 92)

One officer and six soldiers were assassinated by CNGSB forces on 26 January at Los Mangos, Yondo Municipality, Santander Department. A 4th Infantry Brigade convoy was ambushed by rebels near Puerto Valdivia. A dynamite bomb exploded under a vehicle, killing one officer and three soldiers, and wounding three soldiers. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 26 Jan 92)

Two policemen and one CNGSB guerrilla member were killed in a clash at 0200 on 28 January in the village of Providencia, El Bagre Municipality, Antioquia Department. The information was provided by Brigadier General

Fernando Tapia, commander of the 2d Brigade. (Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 28 Jan 92)

A guerrilla column attacked the town of Anori, northeastern Antioquia Department, killing two police officer and wounding three others. The police forces rejected the attack and killed three rebels. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 28 Jan 92)

Ecuador

* Sixto Duran Leads in National Opinion Poll

92SM0224A Quito LA OTRA in Spanish
9 Jan 92 pp 12-16

[Opinion poll conducted by the Institute for Public Opinion Studies, IESOP]

[Excerpts] In December 1991 the Confidential Report organization carried out a national public opinion poll valid for almost all of the provinces in the mountains and along the coast of the Pacific Ocean.

As could only have been expected, the results showed a series of changes by comparison with polls carried out previously.

This poll does not tell us what will happen several months from now, when the election campaign takes place. It tells us simply what is happening now, in January 1992. Those who stated that this or that candidate was already elected several months ago because "That is what the polls say," thereby displayed their ignorance in terms of political analysis.

The same comment could be made about those who might say the same thing on the basis of the data which we are now publishing.

This poll simply says what is happening. If it is compared with other, previous polls, we will know what the preferences are among the voters. Nevertheless, no candidate will be elected by this poll, nor will any candidate be eliminated. Only the election campaign, however well or badly it is carried on, will see some candidates increase their support and others lose it. The results will depend on what the candidates do and on the resources which they have, as well as on their organizational capacity and ability to work. When we refer to resources, we are speaking of economic, human, intellectual, and other resources of all kinds which both the candidates and their campaign teams have.

Results of the Poll of December 1991

On this occasion we began by asking those polled if they had already decided for whom they were going to vote in the next presidential elections. The election choice of this group of "already decided" voters is what we call a "firm vote."

After we asked "already decided" voters for whom they were going to vote, we contacted the "undecided." We asked them for whom they were more inclined to vote in the next election. This preference of the "undecided" is what we call a "soft vote" or "sympathy." This "soft vote" can vary or change more easily than the "firm vote" during the election campaign. The "soft vote" reflects a lesser amount of support for a candidate, while the "firm vote" expresses a stronger commitment.

Nevertheless, if we add the percentages of "firm votes" and "soft votes," we can develop an approximate picture of what could have been the results if the election had been held on the day on which the poll was taken.

In the poll taken in December 1991 the overall, national results were as follows:

Results of Poll of December 1991
(In Percentages)

	Firm Votes	Soft Votes	Total
Sixto	21.0	13.0	34.0
Nebot	16.8	7.4	24.2
Roldos	1.1	3.2	4.3
Alvarez	0.5	0.7	1.2
Baca	1.6	1.9	3.5
Abdala	8.3	3.8	12.1

It can therefore be concluded that, in terms of "firm votes," Sixto Duran-Ballen has 21 percent of the preferences, while Jaime Nebot was four percentage points behind him. Abdala Bucaram has continued along a steadily declining path and has 8.3 percent of the "firm votes." Roldos, Baca, and Alvarez were clearly left far behind. The middle position, which they were contesting, continues to be empty.

Sixto had a larger proportion of the "soft votes" or "sympathy" than Nebot at the national level, while Roldos was almost tied with Abdala. [passage omitted]

Provincial results, also in percentages, were as follows:

Province of El Oro

	Firm Votes	Soft Votes	Total
Sixto	14.4	14.7	29.1
Nebot	11.8	7.6	19.4
Roldos	0.3	4.7	5.0
Alvarez	0.6	0.6	1.2
Baca	2.4	1.2	3.6
Abdala	11.5	10.3	21.8

[passage omitted]

Province of Los Rios

	Firm Votes	Soft Votes	Total
Sixto	13.1	15.0	28.1
Nebot	23.9	10.6	34.5
Roldos	0.6	2.5	3.1
Alvarez	0.0	0.6	0.6
Baca	0.3	0.0	0.3
Abdala	9.7	6.4	16.1

[passage omitted]

Province of Guayas

	Firm Votes	Soft Votes	Total
Sixto	15.3	6.5	21.8
Nebot	33.3	10.8	44.1
Roldos	0.5	1.8	2.3
Alvarez	0.3	0.3	0.6
Baca	1.0	0.0	1.0
Abdala	10.5	13.5	24.0

[passage omitted]

Province of Manabi

	Firm Votes	Soft Votes	Total
Sixto	24.2	13.9	38.1
Nebot	14.2	7.6	21.8
Roldos	1.3	2.4	3.7
Alvarez	0.3	1.1	1.4
Baca	1.1	1.3	2.4
Abdala	7.6	4.2	11.8

[passage omitted]

Province of Esmeraldas

	Firm Votes	Soft Votes	Total
Sixto	12.8	8.8	21.6
Nebot	12.8	8.1	20.9
Roldos	0.9	1.9	2.8
Alvarez	2.5	1.3	3.8
Baca	2.5	1.9	4.4
Abdala	13.1	8.1	21.2

[passage omitted]

Province of Pichincha

	Firm Votes	Soft Votes	Total
Sixto	32.8	18.0	50.8
Nebot	5.3	3.5	8.8
Roldos	1.5	2.8	4.3
Alvarez	0.5	1.0	1.5
Baca	2.8	3.8	6.6
Abdala	5.5	1.8	7.3

Province of Imbabura

	Firm Votes	Soft Votes	Total
Sixto	26.3	20.0	46.3
Nebot	7.3	5.3	12.6
Roldos	1.7	3.3	5.0
Alvarez	1.0	0.3	1.3
Baca	3.0	2.3	5.3
Abdala	4.3	4.3	8.6

Province of Tungurahua

	Firm Votes	Soft Votes	Total
Sixto	22.8	21.6	44.4
Nebot	6.9	6.6	13.5
Roldos	0.9	1.9	2.8
Alvarez	0.9	0.6	1.5
Baca	2.5	2.8	5.3
Abdala	7.5	2.2	9.7

[passage omitted]

Province of Azuay

	Firm Votes	Soft Votes	Total
Sixto	20.6	24.7	45.3
Nebot	10.0	5.0	15.0
Roldos	1.1	6.4	7.5
Alvarez	0.6	0.3	0.9
Baca	1.4	4.2	5.6
Abdala	3.6	2.2	5.8

[passage omitted]

Province of Loja			
	Firm Votes	Soft Votes	Total
Sixto	10.9	15.0	25.9
Nebot	11.8	6.2	18.0
Roldos	2.1	2.6	4.7
Alvarez	0.9	0.6	1.5
Baca	2.6	2.6	5.2
Abdala	9.7	4.4	14.1

[passage omitted]

Province of Cotopaxi			
	Firm Votes	Soft Votes	Total
Sixto	19.3	10.7	30.0
Nebot	9.7	3.7	13.4
Roldos	0.7	4.0	4.7
Alvarez	0.3	3.3	3.6
Baca	0.3	3.0	3.3
Abdala	5.0	5.0	10.0

Conclusion

Let us begin by noting that, at present, the choices seem to have been polarized between Sixto Duran-Ballen and Jaime Nebot. The truth is that both of them have accelerated their campaigns and have substantial publicity.

From the beginning the candidacy of Sixto Duran-Ballen had the unconditional support of much of the media, which provided him with generous publicity. Jaime Nebot began his publicity campaign early and in the last few months moved ahead of the other candidates, occupying a position in which he has stood relatively alone.

Regarding the other candidates, Bucaram has made some campaign moves, with announcements in which he has stated that he has not yet begun his publicity campaign and that he will start it in January 1992.

Baca Carbo has remained in a position which is too modest for the strength which his party has shown on other occasions. It is perfectly foreseeable that he will increase his percentage of support in a very consistent way when the campaign begins.

The Socialist Party has launched the twin ticket of Leon Roldos and Perez which appears to have declined in popularity in the polls but which could fight for the broad area of the so-called Center-Left with the ID [Democratic Left] and the DP [Popular Democracy Party], which historically has been of great importance with the voters.

The DP has presented Vladimoro Alvarez, a lawyer and completely new candidate, after rejecting two well known candidates such as Mahuad and Paz. Alvarez will have to fight hard in view of his low level of recognition and, for the moment, appears in the polls to have almost no possibility of being elected.

Venezuela

Ochoa Statements on Aircraft Incident Reported

PA2901163492 Mexico City NOTIMEX in Spanish 1503 GMT 29 Jan 92

[Text] Caracas, 29 Jan (NOTIMEX)—It was disclosed on 29 January in Caracas that Venezuelan Defense Minister Fernando Ochoa has admitted that military troops on 16 January fired at a small Brazilian airplane. Three miners (garimpeiros) and one crew member were aboard the plane.

"We asked for an identification and were not heeded; we ordered them to land and they refused; consequently we fired at them and they landed," said Ochoa in statements published on 29 January by EL UNIVERSAL newspaper.

Ochoa's statements contradicted a report by the National Guard, one of the four branches of the Venezuelan military, to the effect that the airplane accident was due to damage in the fuel injection system.

The Brazilian police pointed out on 27 January that the Venezuelan National Guard downed the airplane, but the Venezuelan authorities refuted the report, saying that if antiaircraft artillery had been used "all of the passengers would have been burned."

The downing of the aircraft caused the death of two of the passengers, including the pilot, and the two survivors said in Brazil that Venezuelan soldiers fired from a helicopter.

Ochoa refused to give further details concerning the incident, which is threatening to hinder a meeting between Presidents Fernando Collor de Mello and Carlos Andres Perez scheduled for 10 February in Manaus, Brazil.

So far the Venezuelan Foreign Ministry has not issued a communique on the subject.

Presidency Clarifies Statements

PA3001041392 Caracas Venezolana de Television Network in Spanish 0000 GMT 30 Jan 92

[Text] Beatriz Rangel, the minister of the Secretariat of the Presidency, said statements made by Defense Minister General Fernando Ochoa Antich on 28 January at Miraflores Palace referred to an incident involving a U.S. DEA plane, and not an incident involving a Brazilian plane transporting miners.

[Begin Rangel recording] As is known here and abroad, there was an incident a few months ago between the Venezuelan Air Force and a DEA plane that penetrated Venezuelan airspace. The Venezuelan Air Force intercepted this plane and demanded that it land. Because it refused to heed the order, the Venezuelan Air Force opened fire and forced the DEA plane to land. An investigation followed and the incident was clarified.

Gen. Fernando Ochoa Antich made a statement on 28 January when he attended a meeting with the president at Miraflores Palace. Due to a regrettable mistake, his statements were quoted as if they referred to a sad incident that

occurred only a few days ago when a plane transporting miners crashed in the country's southern area, killing its occupants.

We wish to clarify, in the most categorical manner, that the defense minister referred to the DEA plane and not the plane transporting miners. [end recording]

Perez Speech on Special Legislative Period

PA2901182892

[Editorial Report] Caracas Venezolana de Television Network in Spanish at 2049 GMT on 28 January broadcasts a live speech by President Carlos Andres Perez to the president and vice president of the Senate and president and commission members of the Chamber of Deputies at the Sol del Peru conference room at Miraflores Palace on the initiation of a special congressional period.

The president praises the positive legislative work during 1991 and states that the initiation of the special period shows "that the negative comments we so frequently hear about the country drifting are not true." He adds: "The Congress, comprised of the country's different ideological sectors or political parties, knows how to come to an agreement and reach an understanding to assume its responsibilities and satisfy the country's needs." In this respect, President Perez also notes: "The executive branch, comprised of the president and his ministers, is always willing to establish good relations to foster understanding and cooperation between both branches."

The president further states it is normal for a democratic system to have political strife and differences of opinion regarding the country's problems. Despite these differences, he adds: "When we look back on the past—regardless of the position we have maintained—we have to admit that we have advanced. We have left behind the country's most serious problems. Although the executive branch's programs did not meet expectations and desires of our people, they did open a road which even our most recalcitrant adversaries had to admit is the one Venezuela needed to confront its serious crisis."

President Perez notes that during the special period "the Congress will fulfill its most important task: the approval of the electoral law. The bill was widely debated in past periods, but it was not approved because of political differences. The political parties represented in Congress must define the new electoral system now because of the upcoming elections for governors, mayors, and municipal officials."

The president states: "Today, I respectfully receive your report on the initiation of the special period. I agree with the spokesmen of the Senate and the Chamber of Deputies concerning the importance of the bills that are to be debated. I also agree with the way in which they offer to cooperate—without any preconcessions—with the executive branch's objectives and the bills it presented.

"I highlight the bill to approve the loan negotiated with the Spanish Government for important programs in the country and the bill to reform the Social Security Fund." He adds: "Regarding the loans, there is no doubt that we live in an interrelated world. No state can expect something for nothing. When Mexico and Venezuela organized the San Jose Pact—the most important cooperation program in our America—we conditioned the financial aspect. We gave the financing, but we also asked that certain goods be bought in Venezuela. This is the way business is done between countries and we should not be ashamed, as both sides will benefit. Thus, we have reached an agreement with the Spanish Government for a loan to be used for important programs in the country. The terms of this loan are a 20- or 30-year maturity period and a 5- or 10-year grace period."

President Perez continues to say: "Of course, a country that wants to be truly democractic cannot think about business only. Business ventures must have only one objective: To serve the people and especially to serve those who have suffered for so long and who live in poverty and unemployment. That is why, from the start, we complemented the harsh economic measures—which we had to implement responsibly and with a clean conscience in Venezuela—with a wide array of social measures. We have initiated social programs that had never been implemented in the country previously and we have presented a bill we have called the mega-social project, which is to be debated during the regular 1992 congressional period."

The Venezuelan president ends his 35-minute speech, thanking the legislative branch officials for their report on the initiation of the special period of sessions and offering them his cooperation in the joint effort to further the programs to modernize Venezuela.